SAVANNAH

SAVANNAH RESOURCES PLC

Company No 07307107

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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CHAIRMAN'S STATEMENT

The world is much changed since Savannah published its 2019 Annual Report. A number of these changes, such as record sales of electric vehicles, lithium being added to the European Commission's critical raw materials list, and a 30% increase in the price of spodumene, were extremely favourable for Savannah. However, 2020, and now 2021 as well, are likely to be remembered for a single event, the COVID-19 global pandemic. The rapid spread of this virus around the world has significantly impacted all our lives with the World Health Organisation reporting over 160 million cases and nearly 3.4 million fatalities by 18 May 2021. It has been a truly difficult and challenging period for us all. The Board of Savannah and I hope that the toll on our shareholders, project stakeholders and service providers has been as limited as possible. Savannah introduced measures in early March 2020 to protect its staff, stakeholders and the business itself from the direct and indirect threats posed by the pandemic and has maintained these measures and adhered to relevant laws and guidance ever since. In simple terms, while some of our plans have been disrupted and delayed by the pandemic, the impact on the Group could have been much worse.

The rapid development of multiple, highly effective, vaccines and the subsequent initiation of a worldwide inoculation programme in which over 1.4 billion vaccine doses have been administered to date represents a huge achievement by all involved. It will eventually bring an end to the restrictive conditions we are all experiencing but worldwide 'normality' remains some time away. Hence Savannah must continue to prioritise the safety of its staff, contractors and project stakeholders through mitigation planning and adherence to guidance until restrictions are lifted. However, we remain determined to push forward with our plans to drive increased shareholder value.

COVID-related uncertainty will continue to be a risk factor for the foreseeable future which we must continue to manage. In the meantime, we are simply grateful that through the combination of the efforts of our staff, ongoing shareholder support, and a notable improvement in lithium prices and sentiment towards the sector, Savannah looks set to enter the second half of 2021 in a position of good corporate health. This is very important as the remainder of the year is going to be a significant and exciting period for the Group.

Before reviewing the developments made at each project, I wanted briefly to touch on one major theme which has emerged during the last 12 months that will have a direct bearing on our future corporate behaviour and presents Savannah with an important opportunity.

Corporate policies around Environmental, Social and Governance ("ESG") matters have been given increasing consideration by institutional investors, industrial consumers and the public for some time. However, during 2020, the importance of ESG considerations reached a new level. For example Morningstar report that inflows into ESG focused funds in Europe in 2020 was €233bn, nearly twice the inflow reported in 2019 with asset managers launching a record 505 new funds and repurposing a further 250 conventional funds. In the US, ESG investment vehicles received nearly one quarter of all inflows into US funds and bonds during the year (vs. just 1% in 2014). Meanwhile in the manufacturing, industrial and retail sectors, corporates are placing significant emphasis on traceability of raw materials and sourcing from responsible producers.

Hence it now seems more important than ever that natural resource projects are developed and operated in a responsible way, prioritising ESG principles. If not, they risk failing to attract the investment, commercial partners and social goodwill they need to succeed. Pleasingly, Savannah is already well positioned to respond to this trend, particularly given its starting point as a group set to produce lithium, a raw material vital to the world's efforts to reduce greenhouse gas emissions under exacting national and EU standards.

Strong corporate governance has always been a particular focus of mine, and I believe Savannah already ranks highly amongst its direct listed peers on this front. Furthermore, it has always been Savannah's policy to operate its projects to ensure their impact on the environmental and society are reduced, mitigated against, or wholly eliminated and that the socio-economic benefits associated with a new project are shared with stakeholders.

To consolidate our ESG-related policies, Savannah has been working since the start of the year with an experienced consultant to review all our existing relevant protocols and add to them where necessary to create an overarching Corporate Environmental and Social Management System ("ESMS"). The goal of the ESMS, based on guidance from relevant international bodies and industry best practice, is to create a comprehensive policy framework which shapes our

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project-specific ESG-related policies. In this way Savannah will be able to implement a uniform, well defined approach to these critical issues across its assets. More information on our recent ESG activities, including our Corporate Social Responsibility programmes, can be found in the Corporate Social Responsibility section.

Sales of plug-in electric vehicles set a new annual record in 2020 despite the impact of COVID-19.

Source: iStock

Portugal – Lithium

Our original work schedule for 2020, which included the target of completing the Definitive Feasibility Study ("DFS") for the Mina do Barroso Lithium Project in northeast Portugal, was heavily impacted by COVID-related restrictions which began to take effect in Portugal last March. Additionally, key features of the development plan for the Project await a decision by the Portuguese authorities on the current Environmental Impact Assessment and Mine Plan. Nevertheless, Savannah made good progress on all the major aspects of the Mina do Barroso Project ("Mina do Barroso", "MdB" or the "Project") during the year.

On a commercial front, we entered discussions with an increasing number of parties regarding product offtake agreements and/or project-level investment as the year progressed and sentiment and prices within the lithium sector improved. In January 2021 we announced a non-binding Heads of Agreement ("HoA") with the Portuguese energy major, Galp Energia, SGPS, S.A ("Galp"), in relation to a potential offtake agreement for up to 100,000tpa of spodumene lithium concentrate and a potential US$6.4m investment in the Project company for a 10% shareholding in the enlarged Project entity. During 2021 the continuing strengthening of lithium market has resulted in the Company receiving further interest from groups seeking to strategically undertake investment in the Project or Savannah with or without requiring a spodumene offtake. This interest reflects the increasing appetite for exposure to the lithium value chain within the wider investment community which has developed in parallel with the ongoing recovery in lithium prices. Amid this backdrop the HoA expired on 31 May 2021 and any further discussions with Galp in relation to a strategic investment and offtake agreement will continue outside of the exclusive terms of the HoA.

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Aided by our stronger financial position, following the equity placing in April 2021, we are now in a position to evaluate a wider range of commercial opportunities fully and move forward in a way which maximises shareholder value while also ensuring a solid foundation for the development of a new lithium industry in Portugal. This evaluation of options may include alternative or supplementary offtake contracts, with or without investment from the offtaker(s) in Savannah or the project directly. It may also result in strategic investments in the Company independent of offtake, or the sale of a portion of the Mina do Barroso Project. Much more negotiating will need to be done but from a commercial perspective we believe Savannah is in a favourable position to secure offtakes for all the Project's annual lithium production and, if required, investments from strategic partners as well.

Any commercial arrangements made on the project must be underpinned by its comprehensive technical design, the approval process by the relevant authorities, and social licencing by stakeholders.

Submission of the Project's Environmental Impact Assessment and Mine Plan to the Portuguese Environmental Agency, Agência Portuguesa do Ambiente, ("APA") in June 2020 represented a very significant effort by Savannah's technical team and our consultants and marked the beginning of the key phase in the amendments to the environmental licencing of the Project. After initial reviews of the extensive material submitted, and requests for additional information, APA declared the EIA 'to be in conformity' with its requirements for the content of the documents on 16 April 2021 with the follow up, public consultation stage, initiated on 22 April 2021. This stage will continue through to 16 July 2021 having been extended by APA from its original closing date of 2 June 2021. As I expressed in my opening remarks, Savannah is firmly committed to its ESG responsibilities, and the Environmental Impact Assessment ("EIA") contains some 238 individual measures to eliminate, mitigate or minimise the Project's impact.

In parallel, our commitment to act as a responsible corporate citizen and to share with local stakeholders the many direct and indirect benefits that a project like Mina do Barroso can bring has been demonstrated by the Benefit Sharing Plan and Good Neighbour Plan we created to accompany the EIA. We are keen to earn the respect of the local communities through our efforts to integrate the Project into everyday life in the area and by becoming a valued member of local society for the long term. To achieve this, while also providing Europe with the critical lithium raw material it needs to reach its emissions reduction targets, would represent a significant 'win-win'.

We have increased the pace of our metallurgical test work programme in Australia, and our team have continued with desk-based studies to refine key design parameters of the Project which will be finalised in the DFS. Input for the final DFS will also come from the current EIA process, as APA is required to make some selections on various site layout options we were asked to provide in our submissions. In addition to the current parameters of the DFS, the team has already begun researching various ESG-related enhancements to the Project which it may be possible to introduce over time. This includes the use of an electric powered mining fleet and sole use of renewable energy across the Project, either drawn from the national grid (which already includes around 60% renewable power) or from specific renewable sources. This would significantly reduce the carbon footprint of our lithium and increase its appeal to carbon conscious end users.

As you will read in the CEO's statement, the lithium market has been experiencing a significant recovery since the second half of 2020 as the transition to electrified transport gathers ever greater momentum. Savannah is already one of the leading players in Europe's new lithium value chain and should now leverage its hard-earned position to further expand its lithium supply business in Europe to maintain and grow its future share of the market. Hence, we plan to participate actively in the Portuguese Government's lithium exploration tender process which is now slated for 2022, and will use some of the funding from the recent placing to assess other opportunities across the Iberian Peninsula.

Mozambique – Mineral Sands

There were three distinct parts to our work in Mozambique during 2020 but all were underpinned by the same long-term goal of adding value to the globally significant Mutamba Minerals Sands Project. Under the restrictions created by COVID-19, our in-country team worked diligently towards fulfilling the commitments created by the newly awarded Mining Licences. We also continued with our ESG activities and government relations which have given Savannah and Mutamba good standing in the country. Finally, with ilmenite prices

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Savannah intends to power Mina do Barroso with northern Portugal's abundant sources of renewable energy:

Source: Getty Images

remaining robust, we initiated a wholesale review of the project to clarify both the most appropriate development option for Mutamba and how to distil more of its inherent value for Savannah's shareholders.

On the ground, the award of the last of the three key 25-year Mining Licences in January 2020, committed Savannah to ensuring compliance with the licence requirements and gave us the basis on which to restart the technical analysis on the Project after the long licence approval process. To this end, prior to COVID-related restrictions impacting on field activities in the Spring of 2020, our local team and its consultants successfully demarcated the boundaries of the licences. Following that, successful competitive tenders were held to select consultants to work on securing land use and utilisation agreements (DUATs) with the relevant landowners, and to complete EIAs on each of the licences. As a result, work on the DUATs is well underway, with the EIA work also now initiated.

The wholesale project review we started last October, led by the highly experienced mineral sands specialist, Bruce Griffin of Farview Solutions, is continuing in collaboration with our project partner, Rio Tinto. A portion of the funds raised recently will be used to maintain the project, finalise the review work and execute its findings. This should ensure that Mutamba's future and its true value can be clarified for the benefit of our shareholders and the other stakeholders in the project.

Oman

Following a strategic review of Savannah's exposure to the Block 4 and 5 copper projects in Oman, we concluded the divestment of our shareholdings in these assets to ASX-listed Force Commodities Ltd ("Force") last November. Savannah received 50m new fully paid ordinary shares in Force (46m net of shares used to settle transaction costs) and will receive preferential payment of AUD$3.5m in cash from an existing loan out of cash flow generated from production on Block 5, and payment of a 1.0% net smelter royalty on any future metal sales from Block 4 and/or Block 5. The Board considered this to be the most attractive option available at the end of the strategic review period as it gave Savannah ongoing exposure to these assets in a favourable copper market, while entirely removing the Group's direct commitment of time and resources to these non-core projects.

Corporate

Savannah's position as a key market participant in the European lithium value chain was reaffirmed last May by its selection to receive support from the Business

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Investment Platform initiative managed by EIT InnoEnergy, the group appointed by the European Commission to catalyse the industrialisation of the battery sector in Europe and manage the European Battery Alliance. Savannah has played an increasingly active role in the European Battery Alliance in the past year, presenting at two of its recent meetings, including representing battery raw material producers at the second meeting of high-level industrial actors attended by EC Vice-President Maroš Šefčovič in March 2021. Government-level relations have also been well maintained in Portugal as has our good relationship with the British Embassy in Lisbon, and the British High Commission in Mozambique.

In addition to our key corporate objective of implementing our ESMS during 2021, we also hope to add to our existing team. As we move towards construction and eventual production in Portugal it is going to be vital to have the capacity as well as the experience within our team to deal with the many complexities involved in these phases. We look forward to announcing new members of the executive team in due course.

Financial Overview

I explained in my interim results statement, that the 2020 accounts reflect the dual influences of the cost control measures put in place by the Board to mitigate against potential disruptions caused by the COVID-19 situation, and the treatment of the divestment of the Oman assets. Instigation of the additional cost control measures in March 2020 helped to reduce Savannah's annual operating loss in 2020 by approximately 18% to £2.96m (2019: £3.60m) with the loss from continuing operations reduced by an equal percentage to £2.92m (2019: £3.57m). In contrast the non-cash adjustment to our intangible asset base associated with the Oman divestment meant that losses on discontinued operations were £5.40m (2019: £0.23m) which resulted in an overall loss for the period of £8.33m (2019: £3.80m). Due to COVID-19 related restrictions and our cost control programme, exploration spending was reduced by 60% to £1.58m (2019: £3.89m) which, along with the oversubscribed £2.34m placing completed last September, contributed to the Group's year end cash position of £2.0m (2019: £3.48m).

Post year end, the Group's cash balance was subsequently significantly increased by the oversubscribed placing completed in April 2021 which raised a further £10.3m before expenses. Hence we believe the Company has the necessary financial reserves to advance Mina do Barroso towards development, maintain the Mutamba project and execute the actions from the current review, and undertake project acquisition and exploration to expand its lithium portfolio.

Outlook

Despite the ongoing disruptions to our working practices caused by COVID-19, the outlook for Savannah is very promising. Electric vehicle sales have continued to grow in the first quarter of 2021, lithium prices have rebounded, interest in our flagship project and its spodumene concentrate have increased and the Group is in a strong financial position. In the remainder of the year in Portugal, we expect to further advance the commercial framework around Mina do Barroso, receive approval for the Project's EIA, complete the DFS and expand our lithium project portfolio. In Mozambique we will undertake the fundamental work required to maintain the valuable Mining Licences and conclude and action the findings of the current review.

In 2020 all senior management and remunerated Board members voluntarily agreed to a temporary 20% reduction in salaries as part of the cost-saving measures taken in response to the pandemic, as described in more detail in Note 3 in the financial statements. These measures have enabled your company to navigate through a period of exceptional uncertainty. Moreover, despite these very difficult circumstances management have achieved some key objectives that have put Savannah in a favourable and exciting position for its future development.

My thanks also go to all our shareholders, both old and new. We understand that Savannah is in a very competitive global investment marketplace and we are grateful for your ongoing support and for sharing our vision and values. It remains our firm goal to grow Savannah into a valuable business based on responsible and sustainable practices which benefit our shareholders and other stakeholders alike.

Matthew King
Chairman

Date: 1 June 2021

CHIEF EXECUTIVE'S REPORT

As our Chairman has highlighted, while COVID has dominated the world's agenda and all our lives during the past twelve months, Savannah was able to make meaningful progress with its project portfolio. Furthermore, beneath the overbearing presence of the virus, the economic, political and investment landscape around Savannah and its flagship project Mina do Barroso has, I believe, moved in a significant and positive way. Now, with the addition of the funding provided by both existing and new shareholders in our April placing, Savannah can move forward with confidence and fully grasp the opportunity that now presents itself to us in Europe's fast-growing lithium sector.

As set out in my report in last year's annual results our main goals for the year at Mina do Barroso were to complete and submit the Project's EIA and associated reports to the Portuguese authorities, finalise the DFS, and conclude offtake agreements. We were delighted to achieve the first of these goals last summer and, after some follow up information requests from the authorities, the EIA is now at the public consultation phase of the approval process. Unfortunately this longer than expected EIA process and the pandemic moved the completion of the DFS into 2021, but work completed for the EIA submissions can be used in the DFS, and we were able to advance other inputs to the DFS, such as metallurgical test work. We also achieved the commercial goal of a Heads of Agreement with a potential offtaker, believed to be the first announced for a European lithium project. The HoA expired on 31 May 2021 and discussions in relation to a strategic investment and offtake agreement will continue outside of the exclusivity provisions of the HoA. Such discussions will continue with the favourable backdrop of the much-improved commercial environment which has appeared in the lithium sector since the turn of this year. As a result, we believe Savannah can achieve significantly better terms for its shareholders.

On the ground in Mozambique, we focused our efforts on working towards meeting the requirements of the 25-year Mining Licences we were so pleased to be awarded in late 2019 and early 2020. At a corporate level, we are determined to clarify the future of Mutamba for our shareholders and its stakeholders. As one of the world's largest undeveloped projects in a commodity sector where prices have continued to rise and the outlook is favourable, the lack of recognition of the project's strategic and economic value is a frustration for all and represents a missed opportunity. We are working, under expert guidance, and with our partner Rio Tinto, to bring resolution on this project in a meaningful timeframe.

While we work to provide a clear path forward for Mutamba, we did achieve this on our copper projects in Oman during the year, concluding a divestment deal which allows Savannah to retain exposure to these assets without any further commitment. The Board believe the transaction represented a welcome outcome for Savannah given the smaller scale nature of the projects. By removing the commitment of management's time and resources to these non-core projects we have had more capacity to deal with our higher priority projects, particularly Mina do Barroso, and I'm sure this will continue to stand us in good stead as the commitment required grows greater as we move towards development.

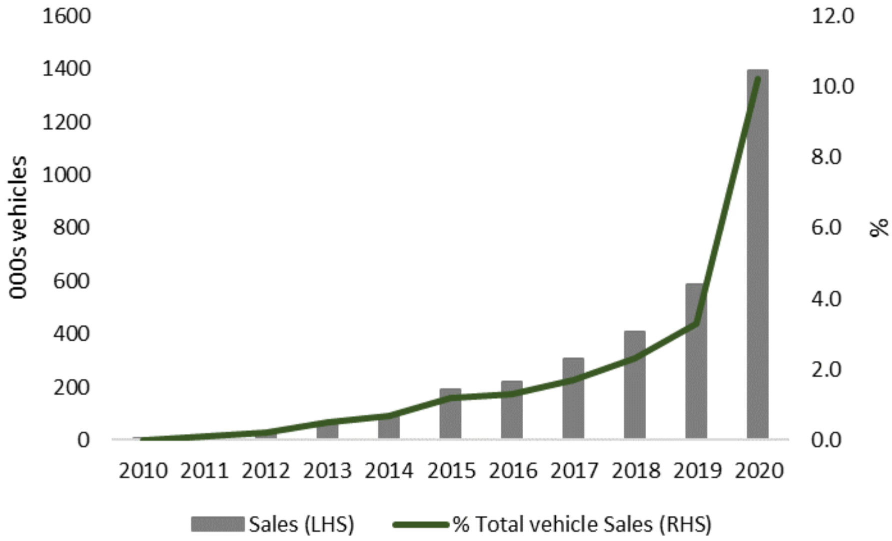
Portugal

Given the socio-economic impact caused by COVID, it is of particular note that the prevailing market forecasts I highlighted to you in my report last year all became reality. 2019 was a transitional year in the auto industry to far greater Electric Vehicle ("EV") penetration in 2020 and the difficult conditions in the lithium supply industry caused by inventory buildup and low prices were 'growing pains'. However, back in the uncertain days of the first half of 2020, it was extremely difficult for anyone to have real confidence that electric vehicle sales, along with all vehicle sales, were not going to suffer a year-on-year decline because of the pandemic. Or that this would not further increase the inventory of lithium that existed at that point and further depress prices which had been falling since the second half of 2018.

The record shows, however, that the exact opposite happened, albeit with a very heavy weighting on the second half of the year. Website EV-volumes.com reports global sales of plug-in electric vehicles rose by 43% year-on-year in 2020, passing 3 million units for the first time, while overall vehicle sales fell by 14%. Furthermore, the growth in sales was dominated by Europe (1.4m, +137% y-o-y), which overtook China (1.3m, +12%) as the largest EV market as the combination of the first year of new EU emissions legislation and significant government subsidies on EVs married automakers' desire to sell EVs with greater consumer appetite to buy them. As EV sales accelerated from July onwards, so did demand for battery grade lithium raw materials. As residual inventory was consumed, lithium prices began to recover led by the domestic lithium carbonate price in China. The price of this key lithium chemical has subsequently more than doubled. Other lithium product prices subsequently also began to recover. The spodumene price for example, which is of such importance to Savannah, bottomed out in the 4th quarter of 2020 just below US$400/t and has since risen by around 80% to be close to US$700/t in mid-May.

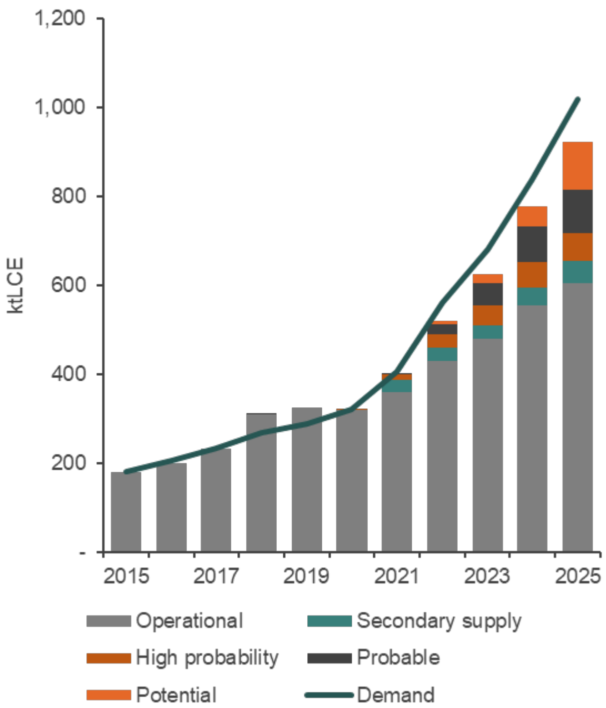
We cannot expect lithium prices to continue to rise indefinitely, but this change in market dynamic and sentiment has had a very positive impact on the lithium raw materials industry. The average share price performance for a large group of lithium equities over the last 12 months has been an increase of 437%. Given their far better market valuations, listed lithium companies have raised over US$3 bn in equity since the

European Annual Plug-in Vehicle Sales & Market Share



Source: EV-volumes.com

Supply-demand outlook for lithium to 2025



Source: Benchmark Mineral Intelligence

start of 2021. The additional capital raised will go some way to financing the expansion of existing projects and construction of new projects required if supply is going to satisfy future demand. However, back in June 2019, Galaxy Resources estimated that US$9 bn of investment was needed to construct the extra production capacity required, and demand forecasts have only increased since then. As market commentators such as Benchmark Minerals highlight, even with all probable and possible future supply developments, a deficit in the lithium market is still expected from as early as 2023.

It has taken some time, but it now appears that mid and downstream participants in the global lithium battery value chain, as well as legislators, are now cognisant of the fact that supply of critical battery raw materials is going to have a major bearing on the success of the planned e-mobility transition. Nowhere is this growing awareness more evident than in Europe. The region has become the largest and fastest growing market for EVs and the European Commission expects the region's demand for lithium to increase 18x by 2030. It is also focused on becoming the world's second largest lithium battery manufacturing base with the capacity of the region's domestic battery manufacturing industry forecast to grow more than 10x over the current decade (reaching 610GW by 2030, source: Bloomberg NEF). However, at present it has no domestic production of lithium battery raw materials such as spodumene concentrate or lithium chemicals. Remembering that all the world's major economies are trying to make the same e-mobility transition at the same time using the same lithium battery technology, and that the battery industry is already dominated by China, it is easy to see that Europe must do all it can to produce its own battery raw materials. Hence, we were delighted last September when lithium was added to the European Commission's list of materials critical to its economic stability and growth. We also welcomed the creation of the European Raw Materials Alliance, a sister organisation to the European Battery Alliance, which is dedicated to supporting the creation of a domestic, sustainable, critical raw material production industry.

Given the expected growth rates, it is unlikely that Europe will be able to wholly satisfy its own demand for battery raw materials from domestic sources. However, by producing as much of its own raw materials as possible, Europe will be able to partially reduce the supply risk faced by its major downstream consumers, who are so important to the overall European economy.

Domestic production will also supplement the Commission's goals on lowering transport-related emissions by reducing the carbon footprint associated with importing these materials from distant producers. In addition, domestic end users will be able to take confidence in the fact that these materials have been produced in a responsible way by suppliers operating under stringent EU laws.

Clearly this backdrop is extremely favourable for Savannah and its development of Mina do Barroso, and the situation is made even more promising by the significant increase in interest in ESG considerations which our Chairman has highlighted in detail in his statement.

In practical terms, what these changing market dynamics have meant for Savannah is both a notable increase in commercial inquiries about our future spodumene concentrate production, and a marked increase in the number of groups evaluating the option of building lithium chemical plants in Europe requiring spodumene feedstock. Where previously our only option appeared to be shipping our concentrate to Asia for conversion into chemicals, operating conversion capacity within Europe in the 2020s now seems likely. Furthermore, we are very aware that the Portuguese Government would like to establish a new lithium industry in the country as part of its economic diversification and recovery plans post COVID. In summary, we believe that there is more than enough demand to ensure that Mina do Barroso's concentrate can be fully committed, and that interest in strategic investment in Savannah from relevant parties exists if required.

While this economic and commercial framework continues to drop into place around us, we have remained very busy in country moving the Project forward as best as we can under the restrictions created by COVID. As I say, the submission and subsequent progression of the EIA through the approval process has been one of the significant achievements for the Group in the last 12 months. It has required a very substantial effort by our team and our consultants for which I am very grateful.

The current public consultation phase allows our stakeholders their first real opportunity to see the extensive planning we have undertaken for the Project and the ongoing commitments we are making to its management and to them. Our key intent is to

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responsibly develop Mina do Barroso such that Mina do Barroso's impact on everyday life in the nearby villages and the environment is not only minimised, but that the Project is used as a catalyst for significant socio-economic growth in the area, which has been suffered from a falling population for a number of decades due to the lack of employment opportunities locally.

Last July, Professors Cerejeira and Carballo-Cruz from the School of Economics and Management at the prestigious University of Minho, published a report which highlighted the very compelling economic, social and demographic benefits the Mina do Barroso Project could bring both to the local region, and to the Portuguese economy as a whole. For example, the Professors estimated that the jobs created at the Project would represent a 9% (17% including contract workers) increase in the number of private sector jobs in the Boticas Municipality. The study also calculated that the Municipality would see a 133% increase in its annual tax revenues once the project was in operation, excluding any further income it could receive through sharing in the Government's 3% royalty on revenues from the Project. Beyond highlighting the compelling economic benefits for the local authorities, the Professors also made recommendations to the national and local authorities in Portugal, the European Commission, and ourselves regarding the opportunity presented by the Project and how these benefits could best be shared with local stakeholders.

We have taken these ideas on board and combined them with our own analysis and input from other stakeholders and produced our Benefit Sharing Plan and Good Neighbour Plan, which were included as part of our EIA submission. We believe these two plans, more details of which can be found in the Corporate Social Responsibility section, represent an excellent opportunity for the local communities, local businesses and local institutions to share in the long term social and economic opportunity that the Project represents. As our Chairman has said, we want the Mina do Barroso Project, Savannah and its current and future staff to become valued members of the local community.

Looking east across the Grandao orebody:

Source: Company

CHIEF EXECUTIVE'S REPORT

Looking at practical activities on the Project during the remainder of the year; the public consultation stage of the EIA approval process is due to finish in mid-July. Assuming, the remaining parts of the review run as expected, we hope that APA will be in a position to issue the 'Environmental Impact Declaration' or 'DIA' later this summer. This will not complete the EIA process, but will be a defining point in the Project's overall approval. While that process continues, we will refocus our efforts on the DFS, including the ongoing metallurgical work in Australia which returned some very encouraging results recently around use of Dense Media Separation. Some inputs from the finalised EIA as well as access to the field for resource/reserve and geotechnical drilling are required for completion of the DFS. Assuming these factors go in our favour, and contractor availability is also good, we hope to complete the DFS by year end, but as we highlighted in the April placing this will be subject to any further COVID or EIA related aspects.

As I have said, we also expect to advance potential commercial agreements so that we can provide clarity about our future revenue streams to project finance providers and other potential providers of construction finance when we move to that stage in the process next year. With that stage in mind, it is also the right time to start adding to our project team at all levels, including those experienced at managing project construction processes in Portugal.

We will also initiate studies on enhancing the Project's ESG credentials and further reducing its carbon footprint. This will include evaluating the use of an electric mining fleet, and we have already entered discussions with several new and established equipment providers. We will also evaluate powering the project solely with renewable power, potentially from new or existing locally dedicated renewable sources.

No doubt Mina do Barroso is going to keep us extremely busy in the remainder of 2021 and beyond, it is our flagship asset and our best opportunity to become cash generative. It also has significant exploration upside. However, it should not be our sole focus in the European lithium sector. Such is the opportunity now that we should be looking to increase our exposure to this sector to generate more shareholder value and a pipeline of projects which will help to maintain Savannah as a major player in the European lithium space for a long time to come. To this end, a portion of the funds we raised recently are to be dedicated to growing our lithium business, primarily in the Iberian Peninsula. We are awaiting the Portuguese Government's lithium exploration tender and intend to be very active in that process once it is initiated. We are also looking at other early-stage opportunities, including across the border in Spain.

Savannah will evaluate the use of an electric mining fleet at Mina do Barroso:

Source: Behault Mining

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Sample collection taking place on the Mutamba Project, Mozambique:

Source: Company

Mozambique

As the Chairman and I have flagged, there is a strong desire internally to give the Mutamba Project clear direction and a new lease of life. As a significant project in the mineral sands sector it deserves greater recognition in the industry and in the capital markets than it currently receives, and our shareholders and the project's stakeholders also need clarity. A portion of the funds raised recently will be used to maintain our work on the ground whilst we, our experienced consultant, and Rio Tinto work together to plot an appropriate course for Mutamba. No doubt it is a valuable strategic asset. We will look to complete our current review and actions its findings in the remainder of the year.

Summary

The global impact of COVID-19 has resulted in a year like no other in recent times. Thanks to the highly dedicated efforts of its staff in these difficult circumstances, Savannah finds itself in a promising position as the world starts its rehabilitation and long-term recovery from the pandemic. I pass on my thanks and best wishes to all our shareholders and stakeholders and hope that we can all enjoy more 'normal' times very soon.

David Archer
Chief Executive Officer

Date: 1 June 2021

CORPORATE SOCIAL RESPONSIBILITY

COVID-19 curtailed many of our plans for regular contact in person with our project stakeholders but Savannah did continue its engagement, provision of information and support to our stakeholders via alternative channels, while strictly observing relevant COVID-19 related protocols. We hope that in the remainder of 2021 there will be more opportunities to engage safely in person with our stakeholders again, but we believe that our efforts during 2020 underlined Savannah's continuing presence in the communities it works alongside and our commitment to them.

As highlighted in our Chairman's statement, Savannah is currently working on a comprehensive Environmental and Social Management System. Once this is completed and we have initiated activities designed to supplement our projects with features that enhance their sustainability and environmental performance, we expect to broaden and extend this CSR section in the 2021 annual report.

Health & Safety

The Health & Safety of our staff, contractors and visitors remains a top priority for Savannah. The Group is pleased to report there were no Health & Safety incidents or loss time injuries reported during 2020 across all our projects and offices (2019: 1 incident).

Portugal

Savannah remains firmly committed to engagement with all the Project's stakeholders in Portugal, ranging from the Government and its agencies, through potential industry partners and services providers, to local administrators and local residents.

At the local level, while our Information Centre has been closed due to COVID-19 regulations, Savannah maintained it active communication with local stakeholders. This was done through our ongoing newsletter service and via our project website, and was also extended to include a comprehensive communications campaign via local radio, local newspapers, and social media channels. We also wrote directly to residents and businesses. In all cases, Savannah was reiterating its commitment to the "Green & Smart Mining" approach which will ensure Mina do Barroso is a responsibly managed source of critical lithium raw material for Europe, operated to minimise its impact and maximise its economic and social benefits for the local community and local businesses. During the year, we were also delighted to be accepted as a member of 'Mais Boticas' – the local business association.

Our local level communication campaign was complemented by a series of articles and supplements

Savannah's Green & Smart Mining approach was presented for the first time in 2020:

Source: Company

in some of Portugal's leading national newspapers, participation in online industry events and ongoing regular engagement with the national and municipality administrations.

We also hosted our own webinar event, "Green and Smart Mining: An Opportunity Called Lithium" in December which featured speakers from academia, the battery industry, the engineering sector, the UK Department of International Trade, and the European Battery Alliance. We also maintained our sponsorship of FST Lisboa, the team of engineering students from Instituto Técnico de Lisboa, University of Lisbon, which competes in international Formula Student competitions with an electric vehicle and a driverless vehicle of their own design.

We were also given the opportunity to speak further about the concept of Green & Smart Mining in May 2021 at a high-level conference on "Green Mining" organised by the Portuguese Government as part of its EU presidency. To an audience of national and international government representatives, mining companies, universities, industry associations and other stakeholders with relevance for the mineral resources sector, Savannah outlined the sustainable and responsible way in which it intends to operate Mina do Barroso, including the innovative Benefit Sharing Plan and Good Neighbourhood Plan it has prepared.

The Benefit Sharing Plan ("BSP") and Good Neighbourhood Plan ("GNP"), which were part of the overall EIA submission, have been designed after extensive analysis by the Group and with input from key local stakeholders to address a number of area specific social, economic and environmental themes. Via the BSP and GNP, Savannah is demonstrating its desire to become a valued member of the local community through the commitments it is making to operate Mina do Barroso in a responsible and sustainable way and to share with stakeholders the many benefits the Project can bring.

At the heart of the BSP proposal is the creation of a Foundation, governed by a combination of local stakeholders, Savannah representatives and independent experts, which will invest in community-focused programmes. The Foundation will receive yearly endowments of €500,000 per annum from the income generated at Mina do Barroso throughout the Project's operating life. A portion of this annual income will be set aside by the Foundation for use following the Project's closure to ensure the long-term sustainability of the Foundation's goals. The specific community programmes in which the Foundation will invest will be agreed following community input, but Savannah's

Savannah maintained its sponsorship of the Lisbon University student racing team, FST Lisboa.

Source: FST Lisboa

initial proposals cover a diverse use of funds including enhancing elderly care services, education, arts and leisure, community transport and support for the local fire service and local food producers.

The GNP builds on many of the same themes as the BSP and underlines Savannah's efforts to avoid or minimise other impacts from the Project on local communities and local resources, and to sharing its facilities, such as the on-site medical facilities. It also commits Savannah to communicating regularly and clearly with the Mina do Barroso stakeholders about its activities and environmental performance on the Project, protecting and encouraging local fauna and flora, and to donating Project infrastructure for community use at the end of the operating phase.

Mozambique

As in Portugal, our CSR programmes in Mozambique were heavily impacting by COVID-related restrictions throughout the year. On this front, the Group was very pleased to donate PPE and other materials to the local authorities to support their efforts to counter the spread of virus.

Despite the challenges, Savannah remains committed to its various CSR programmes across agriculture, water and sanitation provision, youth training and health in the Inhambane province where the Mutamba project is located. Our 3-year partnership on community programmes with the German Society for International Collaboration came to a formal conclusion at the end of 2019, but a number of the agricultural support programmes continued into 2020 and the facilities and programmes which our combined efforts put in place across vocational training, agricultural value chain development, and provision of off-grid power continued to bring meaningful improvements to the lives of thousands of residents. We were particularly pleased by the news that the Mozambiquan authorities are planning to use the vocational training centre and programmes we helped to create in Jangamo as a template for similar projects in other provinces.

The five-year "IWAMAMBA" project which Savannah joined last year with six other national and international groups including government agencies, NGOs and private sector entities was also heavily impacted by COVID-related restrictions. However, a short time ago we were informed that the project will now move ahead as planned. In the meantime, some progress was made with developing collaborative models and sharing the information necessary for the design of further community programmes in the Mutamba river basin.

The Mozambican authorities are very grateful for the support provided to date and keen to continue the good collaboration with the Mutamba project.

Source: Company

STRATEGIC REPORT

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

Set out below are the applicable reporting requirements under the Act for the purposes of the Strategic Report, together with guidance to other applicable sections of the 2020 Annual Report, which are incorporated by reference into the Group's Strategic Report.

Principal Activities, Fair Review of the Business and Future Developments
The following table provides summary reviews of the principal activities of the Group in the year, financial results and potential future developments. The comments below build on the commentary provided in the Chairman's Statement and Chief Executive's Report:

Asset & location	Ownership	Activities undertaken
Mina do Barroso lithium project, Portugal	100%	• Exploration and Evaluation: The technical team undertook a wide variety of work during the year despite the impact of COVID-19 related restrictions. On site programmes were limited but included mapping and rock chip sampling as well as a number of studies on environmental parameters which were required for the EIA submissions (see below). A bulk sample was also shipped for conversion into concentrate as part of the ongoing EU sponsored 'LiRef' programme. Desktop work included trade off studies and mining optimization exercises, a trial of a potential optical sorting process, metallurgical test work examining a broad range of reagents for mica separation and flotation and potential DMS optimisation. Mina do Barroso concentrate also performed well in tests replicating two of the key steps undertaken in the production of lithium battery chemicals (as announced in July 2020). The team also spent time identifying future exploration targets in the region. • Definitive Feasibility Study ("DFS"): The Group and its consultants continued to revise and refine a number of key inputs to the DFS. The EIA process is providing key inputs for the DFS which, once finalized, will include: JORC resource and reserve estimates; final designs and schedules for (i) site layout, (ii) mining, (iii) processing and (iv) storage of processed materials and (v) infrastructure; capital and operating cost estimation; labour studies; commodity market studies; and a project risk review. We expect the DFS to be completed by the end of 2021, subject to further delays caused by COVID-19. • Licencing process: The Group continued to engage with all relevant local and central government departments, and other stakeholders in the project licencing processes. • Environmental Impact Assessment ("EIA"): The Group submitted the EIA to APA, the Portuguese Environmental regulator, on 1 June 2020 along with an accompanying Mine Plan. To date in its review, APA has made two requests for revisions to the original submission and for additional information to be supplied. Savannah made its first submission of additional material in November 2020 and made its second submission in March 2021. The conformity of the content of the EIA was declared by APA on 16 April 2021 and the

Asset & location	Ownership	Activities undertaken
		public consultation period began on 22 April and is scheduled to run until 16 July 2021. The Board remains confident that the Environmental Impact Declaration for the Project will be made later this year. The EIA evaluates the project's environmental and social impact during its implementation, exploitation, deactivation and post-deactivation phases. The outcomes of the assessment are a set of actions to be undertaken throughout all the operating phases of the project to minimise its impact. • Community Engagement: To observe COVID-related restrictions & guidance, the Group adapted its active community engagement plan during 2020, reducing direct contact with the local communities in favour of communication through indirect channels such as newsletters, social media, and via local TV and radio. The Group believes that with considerate and intelligent management, the development of the Mina do Barroso project has the potential to provide multiple long-term benefits for the area. Further details on our community engagement activities can be found in the Community Social Responsibility section. • Socio-Economic Study: The Group commissioned Professors Joao Cerejeira and Francisco Carballo-Cruz from the School of Economics & Management at the University of Minho to examine the potential socio-economic impact of developing the Mina do Barroso Project. The results and conclusions from the study were released to the market in July 2020, and included the professors' estimates that the project could contribute €1.2bn to Portugal's Gross Output over its life (based on the 2018 Scoping Study assumptions), support nearly 1,500 direct and indirect jobs per annum during its operating phase and increase the annual income of the Boticas Municipality by 133% through taxes and royalty payments. Overall, the Professors concluded that the Project could provide a significant economic boost to the local area and stimulate the development of downstream lithium chemical and battery facilities in Portugal. • Partnership with EU's EIT InnoEnergy: In May 2020 Savannah announced that it had entered a 'Added Value Services Agreement' with EIT InnoEnergy, the EU-backed entity responsible for the Business Investment Platform of the European Battery Alliance. Under the Agreement, EIT InnoEnergy tasks include introducing SAV to potential customers for its lithium products, strategic investors and project financiers, and technology partners.

Asset & location	Ownership	Activities undertaken
		• Commercial discussions: During 2020, Savannah continued to advance its discussions with multiple parties both around spodumene offtake and investment in the Project itself. This resulted in the non-binding Heads of Agreement announcement with Galp in January 2021 regarding an offtake agreement for up to 100,000tpa of spodumene concentrate and a US$6.4m investment in the Project for a 10% stake. The HoA expired on 31 May 2021 and discussions in relation to a strategic investment and offtake agreement will continue outside of the exclusive terms of the HoA.
Mutamba Heavy Mineral Sands, Mozambique	20% of consortium with Rio Tinto	• Licencing Process: In January 2020, the Consortium was pleased to be awarded the last (9228C) of the three key Mining Licences (alongside 9229C and 9735C) which cover the resource-bearing deposits on the project. The Licences are all valid for an initial 25-year period with the potential to be extended by a further 25 years if required. The application for the Chilubane concession (9230C), to the south of the main project area, remains under consideration by the authorities. The Group's in-country team is now working to make sure the ongoing obligations associated with the licences are met. This includes completing land access studies and agreements, and EIAs for each of the licences. • In October 2020, Savannah announced that it had appointed Farview Solutions, led by mineral sands industry expert Bruce Griffin as an adviser to the Group on development strategies and corporate structures to maximise Mutamba's potential and valuation. Savannah is working with Farview Solutions to not only identify the best development strategy for the project from a technical and economic perspective, but also to potentially create a commercial and corporate structure around the project which allows its market value to be properly recognised. • Pre-Feasibility Study ("PFS"): The impact of COVID-19 related restrictions has meant that on site programmes were limited. However, once completed the technical appraisal work currently being conducted by TZMI and Farview Solutions can be fed into the project PFS. The work being done by Savannah's team on the licence obligations, including the EIAs, will be critical for the project's overall approval and eventual development. • Community Engagement: Observing COVID-related restrictions, the Group continued with its community engagement plans. Further details of our activities can be found in the Community Social Responsibility section.

Asset & location	Ownership	Activities undertaken
Block 4 & 5 Copper projects, Oman	51% of Al Thuraya LLC (Block 4); 65% of Al Fairuz Mining (Block 5)	• Strategic Review: The Group concluded the strategic review of its options around ongoing involvement with these joint venture copper projects in Oman and announced in September 2020 that it intended to divest its shareholdings to ASX-listed, Force Commodities ("Force"). • Divestment to Force Commodities: The key terms of the transaction were: o 50,000,000 new ordinary shares issued by Force to Savannah (deemed issue price of 1 cent per Force share) o Preferential payment of AUD$3,500,000 of an existing loan from cash flow from production on Block 5 o Payment of a 1.0% net smelter royalty on future metal sales from Block 4 and/or Block 5 The transaction was completed in October 2020 (Note 24).
Fair review of business		• The loss of the Group as set out on the Consolidated Statement of Comprehensive Income amounts to £8,325,758 (2019: £3,801,926), of which £2,988,663 (2019: £3,633,672) was related to Administrative Expenses and £5,401,176 (2019: £227,672) was related to Discontinued Operations, including an impairment of Exploration & Evaluation assets amounting to £5,205,622. During 2020 the Group invested £1,565,700 (2019: £3,894,826) on mineral exploration and evaluation on the licences it owns and operates, this is capitalised as an intangible asset as set out in Notes 8 and 24 in the Financial Statements. The Group finished the year with £2,000,209 in Cash and Cash Equivalents. • A review of the Group's prospects is included in the Chairman's Statement and the Chief Executive's Report.

Principal Risks and Uncertainties

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

Natural Resource Project Development & Construction Risk

There can be no guarantee that mineral exploration and evaluation programmes will result in the delineation of a commercially viable project. However, to reduce this risk, the Group is focusing its activity primarily on brownfield locations, previously delineated resources or established exploration targets. For example, the Mina do Barroso project in Portugal already has a granted Mining Lease following exploration work done by previous owners, and the areas covered by the Consortium with Rio Tinto in Mozambique were subject to exploration prior to our involvement.

When a commercially viable project is delineated, the Group will then be exposed to construction and project delivery risk factors. These risk factors will include: project financing (see Future Funding Requirements section below); licence and permitting (see Licence and Title Risk section below); key person (see Attraction and Retention of Key People section below); and contractor and contract fulfilment/cost overrun. Risk relating to the main project contractors will be mitigated by comprehensive tendering and due diligence processes being performed to identify competent and financially robust service providers. Contract fulfilment and cost management will be mitigated by structuring of contracts to include adequate penalty and incentive clauses.

Attraction and Retention of Key People
The success of the Group is dependent on the expertise and experience of the Directors and Senior Management and the loss of one or more could have a material adverse effect on the Group. The Board has adopted a remuneration policy aimed at rewarding performance, encouraging retention of key staff and aligning their interests with those of shareholders.

Future Funding Requirements
The Group has an ongoing requirement to fund its exploration and mine development activities and will need to obtain additional finance to execute its plans. Potential sources of finance include the established debt and equity capital markets (which themselves may be impacted by macro-economic, political or environmental trends), offtake or other industrial partners which could provide prepayment and working capital facilities in exchange for long term supply contracts, commodity based royalty and stream finance groups which can also provide prepayments in exchange for exposure to future revenue or production streams, major suppliers, and grants or other facilities from government or other centralised bodies (e.g. EU which is focusing particularly on the clean energy revolution the Mina do Barroso project helps to underpin). Finance could also be raised through the sale of a stake in a project, or through the sale of other assets owned by the Group. Senior Management and the Board closely monitor the cashflows of the Group. Cashflow projections are presented regularly to the Board for review and this assists in ensuring expenditure is focused on areas of greatest development potential. Overheads and administration costs are carefully managed.

Country Risk
A greater or lesser degree of sovereign and political risk exists in all countries. At the reporting date, the Group carried out a combination of exploration and mine development work in Portugal and Mozambique. Each of these countries presents a very different risk profile. However, this also means the Group benefits from a diversification of country risk. Country risk is further mitigated by ensuring the Group prioritises local in-country employment and maintains working relationships at all levels with government, administrative bodies, local communities and other stakeholders. The Board actively monitors relevant political and regulatory developments.

Licence and Title Risk
The granting, maintaining and renewal of the appropriate licence or licence equivalent is essential to the Group's exploration, mineral development and mining activities in all the countries in which it operates, and is usually at the discretion of the relevant government authority. The Group seeks to ensure that its activities are always in compliance with the relevant licences and associated standards, laws and regulations and will attempt to respond in a timely manner to any changes in licence regulations. The costs associated with maintaining and renewing licences and complying with all related licence requirements, together with delays experienced in the issuance of licences or conversion of exploration licences into mining licences, may have a financial impact on the Group through additional costs or extensions to work programmes. The licences in the Group's portfolio have been the subject of legal due diligence in order to establish valid legal title and regular communication is maintained with the relevant government authority in each of Portugal and Mozambique.

Social Licence Risk
In parallel with obtaining the necessary licences and permits to operate from national and local administrators, natural resource companies must also operate in a way that is acceptable to local community stakeholders and broader civil society. Obtaining social acceptance is deemed by the industry to be the one of the most significant risk factors it faces, and failure to achieve and maintain social acceptance could have a temporary or permanent material adverse impact on the ability of a business to operate. The Group places great importance on its relationships with its neighbouring communities and wider stakeholder groups and looks to mitigate 'social licence' risk through its proactive, country-specific, CSR programmes, and through its wider group policies, including those relating to corporate governance, conduct, and reporting and communication. See Corporate Social Responsibility section for more details.

Environmental Impact Assessment Approval Risk
As noted in the Licence and Title Risk and Social Licence Risk sections above, the Group understands and takes proactive steps in order to mitigate or eliminate those risks, and an intersection of these is demonstrated in the Environmental Impact Assessment (“EIA”) approval process. Specifically, in June 2020 the Group submitted a new and extensive EIA and Mine Plan to the Portuguese environmental regulator (“APA”), for the Mina do Barroso project as part of the overall licencing process. APA subsequently declared the EIA to be in conformity with its requirements for the content of the EIA on 16 April 2021, with the public consultation phase of the process then began on 22 April 2021 and is due to close on 16 July 2021. Results from the public consultation and APA’s Evaluation Committee’s review will then form the basis for the Evaluation Committee’s “Final Technical Statement” which will allow APA to prepare the contents of the Environmental Impact Declaration (“DIA”) and award the Project its DIA, should this be the decision. Assuming there were no statutory delays, Savannah was expecting to receive the DIA during August 2021, however the extension to the public consultation is expected to impact this. The Group’s innovative Benefit Sharing Plan (“BSP”) and Good Neighbourhood Plan (“GNP”) were part of the overall EIA submission. Both plans have been designed after extensive analysis by the Group and with input from key local stakeholders to address a number of area specific social, economic and environmental themes. Via the BSP and GNP, Savannah is demonstrating its desire to become a valued member of the local community through the commitments it is making to operate Mina do Barroso in a responsible and sustainable way and to share with stakeholders the many benefits the Project can bring.

Commodity Price Risk
The Group’s primarily commodity focus is lithium and mineral sands and the price movements in these commodities can be volatile. This volatility can be caused by numerous factors beyond the Group’s control. A sustained period of significant price volatility has the potential to adversely affect the Group operations. Commodities risk is currently mitigated by the Group having a diverse portfolio of projects.

Assuming all previously highlighted development and construction related risks have been mitigated and production is established at one or more of our projects, specific commodity price risk may be more actively managed. This could be achieved through the use of mechanisms such as long-term sales contracts incorporating minimum pricing levels or hedging strategies. In the case of the Mina do Barroso project, the spodumene lithium and its co-products are not currently exchange traded commodities and this makes entering into off-take agreements as part of the project financing an attractive option.

Coronavirus Pandemic Risk
On 11 March 2020 the World Health Organisation (“WHO”) declared the worldwide COVID-19 outbreak as a “pandemic”. The subsequent impact of COVID on most countries and economies has been very significant with the WHO reporting in early February 2021 more than 100 million cases and more than 2 million fatalities had been confirmed worldwide since the virus first appeared. From late 2020, the rapid approval and distribution of multiple vaccines is expected to offer long term protection and a basis for social and economic recovery from the impacts of the virus. However, COVID remains a significant risk, and it is expected to continue to impact all aspects of society in the short to medium term. The fast-changing nature of the pandemic, combined with governments’ resulting responses to it, are expected to continue to have an impact on the Group’s day to day operations (e.g. ability to perform field-work) and potentially its’ financial outlook (e.g. in the event of a global depression impacting demand of commodities), however indications from the European Community and governments is that funds designed to generate economic recovery will be targeted at projects which are to have a positive impact on climate goals, such as the Mina do Barroso project. The situation will remain under close review and appropriate actions taken.

Analysis of the Development and Performance of the Business
This information is contained in the Chairman’s Statement, and the Chief Executive’s Report.

Analysis of the Position of the Business
This information is contained in the Chairman’s Statement, and the Chief Executive’s Report.

Key Financial Performance Indicators and Milestones
Our key performance indicators ("KPIs") help the Board and executive Management assess performance against our strategic priorities and business plans.

Analysis Using Key Financial Performance Indicators and Milestones

KPIs	Description	Performance
Cash balance (for exploration, development and going concern purposes)	Cash balance available to continue with the activity of the Group.	At the reporting date the Group's cash balance was £2.0m (2019: £3.5m). In common with many mineral exploration companies, the Company raised equity funds for its activities. Following the receipt of the Placing and Subscription proceeds the Group had a pro-forma cash balance of £10.6m at 30 April 2021. The Directors have reviewed the cashflow projection for the Group and consider that it has sufficient ability to meet its financial commitments for at least 12 months and that it is appropriate to prepare the Financial Statements on a going concern basis.
Subscription and placing of shares	To continue with its operating activities as an active and growing mineral development group, the Group has raised funds from the market.	During 2020 the Company raised gross cash proceeds of £2.3m (2019: £5.0m) via the issuance of ordinary shares in relation to an oversubscribed equity fundraise. Considering the progress being made at the time of the £2.3m fundraise in respect of commercial negotiations around the Mina do Barroso project, Management believed that more significant finance could be secured alongside a commercial agreement, so recommended to the Board that only a relatively modest sum was required to provide short-term working capital ahead of a commercial agreement being concluded.
Share price	The price reflects the value of the Group as determined by the free trading of its ordinary shares on public stock exchanges such as the AIM.	Having opened the year at 2.25p the share price initially improved to highs in January and February of 2.85p. As the rapid spread of COVID around the world sent markets in freefall, Savannah's share price fell to an (all-time) low of 0.85p on 17 March. As markets subsequently stabilised and began to adapt to the conditions created by the pandemic, Savannah's share price recovered, passing January's and February's previous highs to reach 3.0p in late May. A subsequent easing in the price during June, saw the price range bound between 1.83p and 2.35p until mid-October when the price moved back to 3.0p. A subsequent return to a trading range of 2.3-2.4p ended in early December when rising lithium prices and improved sentiment towards the sector lifted the price rapidly to close the year at a high of 4.0p, equating to an overall increase of 78% (2019: -57%) in the year. A limited amount of funds were raised in September 2020 at 1.8p (2019: 2.0p) in an oversubscribed and scaled back fundraise, reflecting the Group's positive expectations about subsequent positive progression.

KPIs	Description	Performance
Investment in Exploration & Evaluation Assets (“E&E Assets”) and Property, Plant and Equipment (“PPE”)	As an active and expanding mine development group, the investment in E&E Assets and PPE Assets show the volume of activity which is adding value.	During 2020 the Group continued its investment in exploration activity, but with field work limited by COVID restrictions the commitment was reduced year-on-year by approximately 59% with additions in E&E Assets of only £1.6m (2019: £3.9m). As in 2019, there was no significant equipment purchasing required during the year with PPE investment of just £0.02m (2019: £0.02m).

Analysis Using Other Key Performance Indicators and Milestones

KPIs	Description	Performance
Project pipeline	As an active mine development group, Management is up to date on the changes in the market and looking for new opportunities to increase the potential of the Group.	In recent years there has been (and continues to be) an increase in the importance of the lithium-ion battery markets, impacting on global lithium demand with projections showing significant increases in demand. In 2016 the Group started its investment in lithium projects with the acquisition of exploration licences in Finland (subsequently relinquished). Following the acquisition of the Mina do Barroso lithium project in the north of Portugal in 2017 (100% ownership achieved in 2019), the Group has the potential to become the first significant lithium spodumene producer in Europe. As the Group moves Mina do Barroso towards production it plans to further develop its lithium business in the Iberian Peninsula and has been assessing potential lithium exploration targets accordingly.
Mining Lease Applications	As a mine development group the grant of mining leases as a precursor to commencement of production is a significant milestone.	*Portugal:* In June 2020, the Group submitted a new Environmental Impact Assessment and Mine Plan to APA, the Portuguese environmental regulator, for the Mina do Barroso project as part of the overall licencing process for the project. The conformity of the content of the EIA was declared by APA on 16 April 2021 and the public consultation period began on 22 April and is scheduled to run until 16 July 2021. *Mozambique:* In January 2020, the Consortium was pleased to be awarded the last (9228C) of the three key Mining Licences (alongside 9229C and 9735C) which cover the resource-bearing deposits on the project. The Licences are all valid for an initial 25-year period with the potential to be extended by a further 25 years if required. The application for the Chilubane concession (9230C), to the south of the main project area, remains under consideration by the authorities. The Group’s in-country team is now working to make sure the ongoing obligations associated with the licences are met.

KPIs	Description	Performance
Results in mineral resources	As a mine development group the report of satisfactory mineral resource results is a key indicator of the potential of the Group and its projects.	*Portugal:* There was no update to the 2019 JORC resource estimates made in 2020. Hence the JORC resource estimates remained at: • Lithium: Measured resources of 6.6Mt @ at 1.1% Li_2O; Indicated resources of 8.4Mt @ at 1.0% Li_2O; and Inferred resources of 12.0Mt @ at 1.1% Li_2O for a total of 27.0Mt at 1.06% Li_2O containing 285,900t of Li_2O. In addition to the JORC resource estimate, the Exploration Target[1] also remained unchanged from 2019 at 11.0-19.0Mt at 1.0%-1.2% Li_2O. • Co-products (Grandao deposit only): Measured resources of 7.1Mt at 32.6% quartz and 42.8% feldspar, Indicated resources of 6.3Mt at 34.6% quartz and 42.6% feldspar; and Inferred resources of 1.0Mt at 30.9% quartz and 40.3% feldspar for a total resource of 14.4Mt at 33.4% quartz and 42.6% feldspar contained 4.79Mt of quartz and 6.11Mt of feldspar. *Mozambique:* There was no update to the 2017 JORC resource estimate on the Mutamba JV during the year. Hence the JORC resource estimate remained at: • Indicated resource of 1.78 billion tonnes @ 3.8% Heavy Minerals ("HM"); Inferred resources of 2.57 billion tonnes @ 4.0% HM for a total resource of 4.4 billion tonnes at 3.9% HM (ilmenite represents 60% of the total HM contained)
Economic Studies	Satisfactory completion of economic studies is a key indicator of the viability of the Group's mine development projects.	*Mina do Barroso, Portugal:* Fieldwork was limited during the year due to COVID restrictions, but work on elements of the Definitive Feasibility Study ("DFS") did continue throughout 2020. This included: trade off studies; mining optimization exercises; metallurgical test work examining a broad range of reagents for mica separation and flotation, and potential DMS optimisation. Work completed for the DFS up to the end of May 2020 on pit design, mining rates, project layout, and scheduling was used as a basis for the Mine Plan submitted to APA along with the EIA. Mutamba, Mozambique: In October 2020, Savannah announced that it had appointed Farview Solutions as an adviser to the Group in relation to Mutamba. The first phase of this work has focused on the potential development strategies for the

[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.

KPIs	Description	Performance
		project with TZ Minerals International Pty. Ltd. ("TZMI") commissioned to produce an updated 'concept' study for the review process. Once completed this concept study can be fed into the project PFS.

Section 172(1) Statement

The following disclosure describes how the directors have had regard to the matters set out in section 172(1)(a) to (f) and forms the directors' statement required under section 414CZA of the Companies Act 2006.

Information is presented below on a number of 'principal decisions' which the Board made during the course of 2020. Principal decisions are not defined in legislation, but are considered material by the Board from the perspective of the company, impacted stakeholder group, or both.

The table below sets out our key stakeholder groups and how we engaged with them during the year:

Stakeholder Group	Importance of engagement	How did the Board and/or management engage
Shareholders/Investors A table of significant shareholders can be found on the Report of the Directors section and on the company's website. Key metrics are: • Cash • Investment in Exploration & Evaluation Assets • Share price The company has not issued additional investment instruments beyond shares and share-related warrants, such as corporate bonds, and therefore has no other class of investors.	For Savannah: • To maintain access to capital in support of achieving the Group's stated business goals • To receive feedback/advice/ assistance on performance and execution of the Group's business plan For the Shareholder/Investor: • To be kept informed on the Group's performance, changes to strategy and other developments • to assist ongoing investment decision making	The key means of engagement with shareholders include: • AGM (held online in 2020) • Investor roadshows (held online in 2020) • Ad hoc meetings in relation to key news/questions (largely held online in 2020) • Social media including Twitter and LinkedIn • Presentations at investor-focused events (largely held online in 2020) • Attending industry-related conferences and events (largely held online in 2020) • Regular video interviews with Proactive Investors • Maintenance of a corporate website and a website for the Mina do Barroso
Workforce The average number of monthly staff employed by the Group during 2020 was 53 (2019: 64) – see Note 3 for further details.	The Group's day to day running and long-term development relies on the recruitment, retention and incentivisation of staff, and provision of a safe working environment	The key means of engagement with staff include: • Regular internal calls, meetings (largely held online in 2020) and visits to project sites by members of the Board and executive team (with COVID regulations observed) • Remuneration framework including Long Term Incentive Plan

Stakeholder Group	Importance of engagement	How did the Board and/or management engage
Community Savannah works alongside communities at all its project sites and has active community programmes underway in each location. The Group aims to act with integrity, transparency and honesty in its dealings with stakeholders and communities and wishes for its host communities to benefit from its projects.	For Savannah: • To ensure that Health & Safety standards and other regulations relating to Savannah's interaction with the general public and public services are being met • To ensure it secures and maintains social acceptance of its business activities among the communities it works alongside through effective community engagement programmes • To ensure that indirect benefits from its operations are maximised among the local community • To receive feedback/advice/ assistance on these above topics For Communities: • Opportunity to receive up to date information on Savannah's business activities and programmes relevant to communities • To register for and to take part in relevant community programmes • To provide feedback on relevant topics	Full details of the Group's CSR activities across its businesses can be found in the CSR section.

Stakeholder Group	Importance of engagement	How did the Board and/or management engage
Suppliers Savannah requires a wide range of services to maintain its business activities and uses a wide range of domestic and overseas suppliers to meet its needs. When Savannah moves into the development and production phases at one or more of its operations, supplier numbers are expected to rise significantly in-line with the scale up of the project concerned.	For Savannah: • To maintain good working relationships and credit terms with suppliers to ensure the timely and cost-effective delivery of services and supplies • To aid planning for future supply requirements and to identify suitable suppliers For Suppliers: • To maintain a working relationship with its customer and provide product information • To identify future business opportunities with an existing client	The Group's engagement with current and potential service suppliers has been widespread during the year. For example, considerable time has been spent working with existing suppliers of goods and services to the Mina do Barroso project, and identifying and evaluating other groups which may provide key contract services during the construction and/ or production phases of the operation. Additionally, the Group has become a member of the local chamber of commerce in Portugal.
Customers As a pre-production business, Savannah is yet to start generating revenue from sales of product to customers. However, the Group expects to supply products to a number of industrial customers over time, beginning with customers buying its lithium and co-product concentrate products from the Mina do Barroso project.	For Savannah: • To identify and build relationships with future customers to ensure our projects become viable commercial businesses • To access capital for project development either directly from customers, or from other investors which view the establishment of customer relationships as a key de-risking factor in an investment decision For Customers: • To build a working relationship with a well-managed, long term raw material supplier • To secure a long-term sustainable supply of product from a responsible producer in markets where the outlook is for increasing global competition for supply, such as lithium and mineral sands	Management maintained its efforts to build relationships with potential customers for its lithium and co-product concentrates from Mina do Barroso as discussed in the Chairman's and CEO statements. This culminated in the announcement in January 2021 of a HoA with Galp around a lithium concentrate offtake and a project level investment. The HoA expired on 31 May 2021 and discussions in relation to a strategic investment and offtake agreement will continue outside of the exclusive terms of the HoA. Under the consortium agreement on the Mutamba mineral sands project. Savannah's partner, Rio Tinto has the option to buy 100% of the project's future production on commercial terms.

Stakeholder Group	Importance of engagement	How did the Board and/or management engage
Lenders Savannah currently has no corporate bonds or project finance loans but expects project finance to be a key part of the financing mix for the development of its projects, such as Mina do Barroso.	For Savannah: • To identify and build relationships with future lenders to ensure sufficient finance can be secured to support project development For Lenders: • To secure a lending agreement with a listed mining company which expects to be financing its first mine build during 2022	Management maintained a dialogue with potential project lenders in relation to Mina do Barroso during the year. Discussions with these groups is expected to increase as the project's DFS moves towards a conclusion as that study will be a key part of a lending bank's evaluation of the project.
Regulators/Government Depending on the jurisdiction, multiple departments and agencies of national, regional and/or local government can be involved in the licencing and monitoring of mining activities.	For Savannah: • To build strong and supportive, working relationships with all relevant government departments and to ensure that the Group receives and complies with the required licences and authorities to operate its projects For governments: • To ensure that the Group is meeting its responsibilities as per its licences • To understand the needs of Savannah as an operating entity with respect to relevant legislation	As outlined in the Chairman's and CEO's statements, Management has had regular interaction with the relevant departments and personnel in the various levels of government in both countries where it is has operations. This included a site visit by the Portuguese Secretary of State for Energy and the Environment. Savannah views the establishment of active, two-way, relationships with government stakeholders as critical in the successful development of its projects and in its decision-making regarding the Group's long-term commitment to each jurisdiction.

Stakeholder Group	Importance of engagement	How did the Board and/or management engage
Environment Savannah is committed to minimising the environmental impact of its operations through design, monitoring, mitigation and remediation.	For Savannah: • Savannah places great emphasis on minimising the environmental impact of its operations and also realises the importance placed on good environmental management by all project stakeholders including governments, communities, customers, investors and lenders.	In parallel with all our project stakeholders, minimising Savannah's environmental impact is one of Management's highest priorities, and work undertaken across all its project sites to date has been completed in accordance with the relevant environmental regulations. Having collected baseline data and engaged with relevant groups since 2018, Savannah submitted the EIA for the Mina do Barroso project in June 2020 to the Portuguese regulator, APA. Savannah subsequently received requests from APA for additional information, which it responded to accordingly. APA subsequently declared conformity of the EIA on 16 April 2021. The public consultation phase of the process then began on 22 April 2021 and is due to close on 16 July 2021.

Principal decisions

Savannah defines principal decisions as those which are material to the Group and its key stakeholder groups detailed above.

In making the following principal decisions during the year the Board considered the outcome based on the relevant stakeholders as well as the need to maintain a reputation for high standards of business conduct and the need to act fairly between the members of the Group:

Principal decision 1: COVID-19 Pandemic Mitigation

With the potential impact on the global population and economy from the COVID-19 pandemic rapidly becoming apparent during late February and early March 2020, the Board took action to mitigate the risk posed by the virus to the Group's business, its staff and its stakeholders.

Largely acting ahead of relevant Government guidance and new legislation, had temporarily closed its London headquarters from Monday 1 March 2020; by the end of March Savannah had temporarily closed all its offices and arranged for all staff to work remotely; temporarily suspended all field activities; temporarily reduced the staff at the Mutamba Project camp in Mozambique to essential personnel only; suspended all non-essential travel; and rearranged meetings to take place via telephone, video conferencing or online where possible. In addition to the physical actions taken to reduce the risk of infection to the Group's staff, the Board also acted quickly to introduce cost saving measures to reduce any financial impact which may result from the pandemic. This included: a temporary 20% reduction in salaries for the Senior Management team and some other employees; no bonuses paid to senior executives or employees with respect to the 2019 financial year, a temporary 20% reduction in Directors' fees for our two independent non-executive directors, reduction in third party services received or fees paid for them.

In making the decision the Board considered:

- All stakeholders: By proactively suspending in person contact and following relevant government guidance to reduce the risk to all stakeholders (with particular consideration of staff, communities and suppliers) of contracting and transmitting the infection. In initiating a cost saving programme, the Board also considered all stakeholders as it helped to maintain the Group as a going concern.
- Shareholders: By introducing cost saving measures, the Board was particularly cognisant of its shareholders by attempting to preserve capital while maintaining key, valuing adding, work programmes. This, in turn, avoided the need to raise additional equity, and cause significant equity dilution, at a time when COVID-related uncertainty was dominating global equity capital markets and share prices, including Savannah's which had corrected dramatically.

During the period of the year impacted by COVID, Savannah was able to complete a number of key work programmes including submission of the EIA for Mina do Barroso, completion of the service agreement with EIT InnoEnergy, and advance commercial discussions. Due to the cost saving measures Savannah was able to wait until September 2020 to raise a modest amount of equity finance at a time when market sentiment had recovered substantially, and the placing was oversubscribed as a result.

Principal decision 2: £2.3m equity placing, September 2020
In line with forecasts, as revised following actions taken in response to the COVID-19 pandemic, it was agreed that an increase to the working capital position would be required in 3Q 2020 in order to maintain progress at Savannah's two development stage projects in Portugal and Mozambique and to maintain normal operations across the Group. Given the progress being made at the time with commercial negotiations around Mina do Barroso, Management believed that more significant finance could be secured alongside a commercial agreement, so recommended to the Board that only a relatively modest sum was required to provide short-term working capital ahead of a commercial agreement being finalised in the coming months.

In consultation with Management and the Group's capital market advisers, the Board decided that a £2m equity fundraise should be undertaken to provide the additional, short term, working capital required. This was duly completed and announced to the market in September with investment from new and existing shareholdings, in an oversubscribed offering extended to £2.3m to accommodate a portion of the oversubscription.

In making the decision the Board considered:

- All stakeholders: Maintaining the Group as a going concern in the interest of all its stakeholders.
- Shareholders: The impact on existing shareholders of raising additional equity was considered with the Board weighing up the need to maintain the Group as a going concern against the resulting equity dilution. Equity market conditions were also factored into the decision-making process to strike the optimum balance between the short term capital requirements of the Group and the price at which funds could be raised, compared to the uncertainty around quantum and price that might have prevailed later in 2020 given the persistent uncertainty being caused by COVID, and the additional uncertainty likely around the UK's final departure from the EU at the end of the year. The fundraising was also seen as an opportunity to attract new institutional equity investors into the Group which was considered a benefit to the Group's long-term financial stability.
- Shareholders: The long-term value potential of Mina do Barroso: Mina do Barroso is the Group's flagship asset and provides Savannah with its best opportunity to become cash flow positive in the near term. Completing the appraisal stage of the project and moving it through environmental licencing, financing and construction phases and into production should accrete significant value for the Group. The fundraise was deemed to be critical in helping the Group achieve this long-term goal. For the first time, the Company adopted the "advanced book build" methodology in order to give existing retail investors the opportunity to participate in the fundraise alongside institutional investors.

- Employees and Suppliers: The Board also concluded that securing more working capital would help the Group to retain key staff and suppliers who can help the Group achieve its business objectives.

Principal decision 3: Divestment of the Group's holdings in copper projects in Oman
The Board took the decision to initiate a Strategic Review of Savannah's business activities in Oman in the Spring of 2019. At the time of the decision, the Group had spent almost 3 years awaiting the award of Mining Licences from the Public Authority of Mining and these projects had become a lower priority for Savannah due to the superior risk-reward profile offered by Mina do Barroso and Mutamba projects.

During the review, the Board and Management considered a number of options for Savannah's future involvement with its two joint ventures projects and engaged in discussions with multiple groups around a potential sale of the assets. One of the groups Savannah engaged with was the recently appointed new management team of ASX-listed exploration and development company, Force Commodities ("Force"). In consultation with Management and the Group's capital market advisers, the Board decided that a divestment to Force via a transaction which would provide Savannah with a shareholding in Force and exposure to future cash flow from the projects represented the best option available. The transaction was announced in September 2020 and completed in November 2020.

In making the decision the Board considered:

- Shareholders: The Strategic Review was initiated as Savannah had experience long term delays with licence awards in Oman and the assets had become lower priority to the Group given the superior risk-reward profile of Mina do Barroso and Mutamba projects. The structure of the divestment meant a greater proportion of internal resources could be committed to advancing the higher priority projects for the benefit of shareholders, while retaining some risk-free, expenditure-free, long term, exposure to the Oman projects through the shareholding in Force.

- Employees: The Board was mindful that any changes to Savannah's business in Oman, including any potential change in ownership or cessation of work, would have a direct impact on the small number of employees in the country. A condition of the transaction was that all staff in Oman were retained by Force.

- Project stakeholders: Over the years in which Savannah has been involved in its two joint venture projects in Oman, it has built relationships with a wide range of stakeholders ranging from its joint venture partners and government ministries and agencies, to members of the public living near to the projects. During its negotiations with Force, Savannah was given reassurances that Force would act with due consideration and responsibility towards the project stakeholders once it had acquired Savannah's shareholdings in the project, and amendments were made to existing joint venture agreements to underpin this.

Principal decision 4: Added Value Services Agreement with EIT InnoEnergy
In May 2020, Savannah announced that it has entered into an 'Added Value Services Agreement' with EIT InnoEnergy, as part of the Business Investment Platform ("BIP") created in 2019 to accelerate the development of a European battery industry. EIT InnoEnergy, part of EU body, The European Institute of Innovation & Technology ("EIT"), is the innovation engine for sustainable energy across Europe and is responsible for the EBA250 initiative, the industrial development activities of the European Battery Alliance ("EBA").

To further accelerate transactions in the European battery value chain, EIT InnoEnergy co-designed the BIP with industrial players and public and private financial institutions from the EBA's expanding network. The ultimate goal is to facilitate an additional flow of €70 billion of investment into EU based battery-related projects required to meet peak European demand by 2023. Through the Added Value Services Agreement (the "Agreement"), EIT InnoEnergy will assist Savannah in securing finance to develop the Mina do Barroso project; work with Savannah to apply the most innovative and sustainable state-of-the art technologies and processes in the Project; introduce potential customers for the Project's lithium; introduce potential strategic Project investors and; provide market intelligence and wider strategic support. In authorizing this Agreement the board considered the following matters:

- Shareholders: EIT InnoEnergy is able to offer significant assistance to Savannah in its efforts to advance the Mina do Barroso project by helping the Group establish relationships with potential investors, suppliers and customers as well as supporting its interactions with other stakeholders including government agencies, the EU and communities. This is seen as a benefit to shareholders as it reduces the execution risk associated with the project's development.
- Other stakeholders: EIT InnoEnergy carried out a comprehensive appraisal of Savannah and the Mina do Barroso project before offering to work with the Group as part of its management of the BIP. Savannah's agreement with EIT InnoEnergy can therefore be seen by interested parties as an endorsement for Savannah, its working practices, and the Mina do Barroso project from an entity directly linked to the European Union.

Principal decision 5: Appointment of Farview Solutions as Strategic Adviser on the Mutamba Mineral Sands Project

Mutamba is one of the largest undeveloped mineral sands projects worldwide, and boasts mining major, Rio Tinto, as joint venture partner and product off taker. However, during the year, the Board became increasingly aware, that this potential is not fully appreciated by the capital markets. Consequently, Savannah announced in October 2020 that it had appointed Farview Solutions as strategic adviser to the Company in relation to Mutamba. There are two parts to Farview's brief; (i) to identify the best development strategy for the project from both a technical and economic perspective, and (ii) to identify a commercial and corporate structure around the project which allows its market value to be properly recognized. Savannah hopes to significantly advance this exercise during 2021. In appointing Farview Solutions, the Board considered the following matters:

- Shareholders: Through the input of Farview in developing an appropriate strategy, Savannah hopes to crystallise more of Mutamba's value for its shareholders.
- Employees: By clarifying the development strategy for Mutamba and advancing the project to production the Group expects to create a long term employment opportunity in Mozambique for its current and future staff members.
- Project stakeholders: Development of the Mutamba project into a long term mineral sands production operation could provide significant socio-economic benefit for the communities living in and around the project in the Gaza and Inhambane provinces of southern Mozambique, and substantial income for the local and national administration through taxation and other charges. The project would also provide a long term, responsibly managed, source of titanium minerals and zircon for international customers.

Approval of the Board

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

On behalf of the Board:

David Archer
Chief Executive Officer

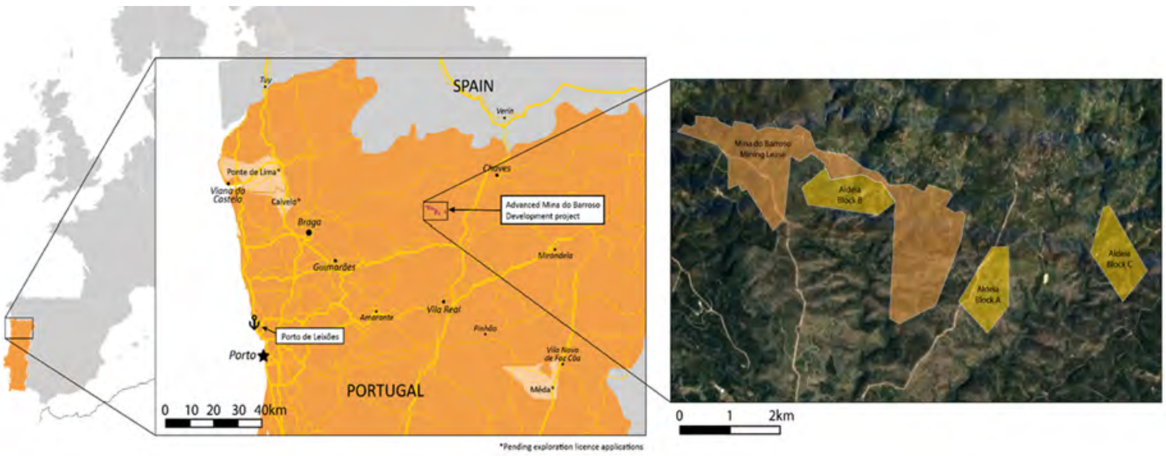
Date: 1 June 2021

PROJECT OVERVIEWS

The Mina do Barroso Lithium project, Portugal
Located less than 2 hours' drive northeast of the city of Porto, the Mina do Barroso project covers an area of 8.36km^2 in the Barroso hills of northeast Portugal and consists of the C-100 Mining Lease[2] (5.42km^2) and an adjacent, three block, Mining Lease Application area (2.94km^2). Through Savannah's successful exploration programme, Mina do Barroso has been defined as the most significant source of spodumene lithium in western Europe. In recent years, spodumene lithium deposits have surpassed brine deposits as the major source of lithium raw material production globally, and Savannah believes that Mina do Barroso can become an important source of this 'conventional' lithium mineral for Europe's burgeoning domestic lithium battery industry.

Savannah Resources has operated the project since May 2017 when an initial 75% stake was acquired (with all the milestones relating to purchase completed by October 2018). Savannah became the sole owner of the project in June 2019 following the acquisition of the residual 25% stake from the project's minority shareholders in an all-share transaction. June 2019 also saw the Group exercise the option it had taken in September 2018 to acquire the adjacent three block Mining Lease Application area from the Portuguese company Aldeia & Irmão, S.A. ("Aldeia") following a period of technical and legal due diligence. This increased the tenement portfolio footprint by over 50% to its current size.

Mina do Barroso location:



Western Europe's largest spodumene lithium resource
To date Savannah's extensive exploration programme, which includes over 31,000m of drilling, has identified 8 deposits bearing spodumene lithium mineralisation on the project. From being a 'pre-resource' project when acquired, JORC compliant Mineral Resources have now been estimated on five of these deposits (4 on the C-100 licence and 1 on Aldeia Block A) which, as of May 2019, totalled 27.0Mt at 1.06% Li_2O (containing 285.9kt of Li_2O or 707kt of lithium carbonate equivalent), representing the largest spodumene lithium resource in Western Europe.

Many of the lithium deposits on the project remain open to possible extensions through further exploration and an Exploration Target[3] ranging from 11-19Mt at 1.0-1.2% Li_2O has been estimated on three of the orebodies as of May 2019. The project currently has a combined resource and exploration target of 38-48Mt at 1.0 to 1.2% Li_2O hence, Savannah believes significant exploration upside remains.

[2] The existing mining lease was granted to the previous project owners in 2006 and is valid for 30 years, but will need amendment or replacement for Savannah's proposed mine and concentrator development.

[3] 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.

PROJECT OVERVIEWS

Mina do Barroso Lithium JORC Mineral Resource Estimate & Exploration Target[4]:

JORC Mineral Resource Estimate (May 2019, 0.5% Li_2O cut-off)					
Deposit	**Resource Category**	**Tonnes (Mt)**	**Li_2O grade (%)**	**Fe_2O_3 grade (%)**	**Li_2O contained (t)**
Grandao	Measured	6.6	1.1	0.7	71,600
	Indicated	6.4	1.0	0.8	65,300
	Inferred	4.8	1.0	0.7	48,900
	Sub-total	**17.7**	**1.04**	**0.7**	**181,800**
Reservatorio	Measured	–	–	–	–
	Indicated	–	–	–	–
	Inferred	3.2	1.0	1.4	32,000
	Sub-total	**3.2**	**1.0**	**1.4**	**32,000**
Pinheiro	Measured	–	–	–	–
	Indicated	–	–	–	–
	Inferred	2.0	1.0	0.7	20,000
	Sub-total	**2.0**	**1.0**	**0.7**	**20,000**
NOA	Measured	–	–	–	–
	Indicated	0.4	1.2	0.8	4,200
	Inferred	0.3	1.0	0.9	2,900
	Sub-total	**0.6**	**1.1**	**0.9**	**7,100**
Aldeia	Measured	–	–	–	–
	Indicated	1.6	1.3	0.5	21,300
	Inferred	1.8	1.3	0.4	23,700
	Sub-total	**3.5**	**1.3**	**0.4**	**45,000**
All Deposits	Measured	6.6	1.1	0.7	71,600
	Indicated	8.4	1.0	0.7	86,700
	Inferred	12.0	1.1	0.9	127,600
	Grand Total	**27.0**	**1.06**	**0.8**	**285,900**

Rounding discrepancies may occur

Source: May 2019 JORC Resource update RNS

[4] 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.

PROJECT OVERVIEWS

Exploration Target[5] Summary (May 2019)			
	Tonnage Range (Mt)		
Deposit	Low	High	Li_2O grade (%)
Reservatorio	5.0	7.0	1.0-1.2
Grandao	4.0	8.0	1.0-1.2
Aldeia	2.0	4.0	1.0-1.3
Total	**11.0**	**19.0**	**1.0-1.2**

Rounding discrepancies may occur

Source: May 2019 JORC Resource update RNS

Not just a lithium project

In addition to the production of significant volumes of spodumene lithium concentrate, Mina do Barroso also has the potential to produce larger volumes of feldspar and quartz which is in demand from the large ceramics and glass industries in Portugal and Spain. Sales of these 'co-products' would have the dual benefits of reducing the amount of processed material which the project must store on-site and provide additional revenue which could significantly improve the net production costs of the lithium concentrate.

During 2019 the Group estimated its first co-product resource on the project, based only on pegmatite material located inside the proposed Grandao pit (i.e. wholly within the existing lithium mineral resource model). Hence, this resource is expected to increase further once similar estimates are performed on the NOA, Reservatorio, Pinheiro and Aldeia deposits. Savannah also completed marketing and test work studies during 2019 to confirm the co-products' suitability for various applications within the ceramic and glass industries.

Mina do Barroso Co-product JORC Mineral Resource Estimate:

JORC Mineral Resource Estimate (September 2019, no lithium cut-off grade applied)						
	Resource	Tonnes	Quartz		Feldspar	
Deposit	Category	(Mt)	Grade (%)	Mt	Grade (%)	Mt
Grandao	Measured	7.1	32.6	2.32	42.8	3.05
	Indicated	6.3	34.6	2.17	42.6	2.67
	Inferred	1.0	30.9	0.30	40.3	0.39
	Sub-total	**14.4**	**33.4**	**4.79**	**42.6**	**6.11**

Rounding discrepancies may occur

Source: September 2019 JORC Resource update RNS

[5] 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.

This independent work, completed on separate quartz and feldspar samples and a mixed bulk tail product, confirmed that all three materials were suitable for commercial use. Specifically, the test work showed that both the separate quartz and feldspar products could be used in a variety of applications in both industries such as hotel-ware quality ceramics and container glass while the mixed bulk tail product could be used in ceramic applications, such as vitrification and bone china. Encouragingly, the marketing study confirmed that prices for all the products could be potentially higher (in the range of US$40-100/t) than had been assumed in the 2018 Scoping Study summarised below. Furthermore, production of the bulk material would also potentially eliminate approximately US$15m from the estimated processing plant capex that would otherwise be required to produce separate quartz and feldspar co-products.

Positive Scoping Study completed in 2018

Based on the rapid delineation of an initial JORC Resource estimate and Exploration Target during late 2017 and early 2018, Savannah commissioned a Scoping Study on the project. This was completed in June 2018 and reported very positive project economics based on a 1.3Mtpa operation producing an average of 175ktpa of spodumene concentrate and associated co-products over an 11-year life.

Definitive Feasibility Study and Environmental Impact Assessment

As a result of the positive Scoping study, Savannah commissioned a Definitive Feasibility study (DFS) and associated Environmental Impact Assessment (EIA)[6] study on the project in the second half of 2018.

The EIA study, which identifies all the potential environmental and social impacts the expanded project may have, and details how Savannah would monitor and minimise these, was submitted along with a comprehensive 'Mine Plan' for review and approval by the Portuguese Environmental Authority, APA in June 2020. Approval of the EIA is a key part of the overall licensing process for the expanded project, and Savannah expects to receive the project's 'Environmental Declaration' from the regulator later in 2021.

Savannah also expects the DFS to be completed this year subject to any further delays related to COVID-19, and to draw upon the latest JORC resource estimate available as a basis for the project's maiden JORC reserve estimate and final mine plan. To maximise the reserve tonnage, which can only be drawn from the Measured and Indicated categories (currently 15Mt) of the JORC resource, a programme of infill drilling is planned (postponed in 2020 due to COVID) to upgrade sections of the existing 12Mt Inferred resource. As a result of the c.90% increase in overall resources defined since the 2018 scoping study, the DFS is considering the possibility of increasing the annual throughput rate to 1.5Mtpa resulting in an average annual output of c.200ktpa lithium concentrate.

[6] An EIA on the project was submitted and approved alongside the 2006 Mining Lease award, but a new study is required in-line with Savannah's proposed mine and concentrator development

PROJECT OVERVIEWS

Mina do Barroso Project 2018 Scoping Study Key Facts:

Operating Parameters and assumptions	
Mineable resource (June 2018)	14.4Mt at 1.07% Li_2O. All open pit. Life of mine strip ratio (waste: ore): 5.2: 1, years 1-4: 1.6:1
Initial life of mine	11 years at 1.3Mtpa throughput rate
Processing route & recovery rate	Crush-grind-Dense Media Separation-flotation (80% recovery)
Concentrate production & spec	175ktpa (minimum), 6% spodumene
Concentrate production as LCE/Lithium Hydroxide Equivalent (net of assumed processing losses in a chemical conversion plant)	~22ktpa; ~25.5ktpa. Sufficient for ~0.5M 60kWh car battery packs per annum
Co-products	Feldspar (~276ktpa), quartz (~173ktpa) for use in the ceramics and other industries
Initial capex	US$109m (Additional contingency of US$24.9m, included in financial model)
Sustaining capital & closure costs	US$17.2m
LoM C1 Cash Operating cost (US$/t conc)	US$271/t (US$210/t average in Years 1-4). Costs include all mining, processing, transport, shipping/freight, corporate, admin, marketing & royalty costs and are net of co-product credits (included in gross revenue).
Financial & economic outcomes	
Pricing assumptions (Average life of mine)	Spodumene concentrate: US$685/t; Feldspar US$39/t; Quartz US$33/t
Gross Revenue (LoM; Avg pa)	US$1,555m; US$140m (includes co-product revenue)
EBITDA (LoM, Avg pa)	US$805m; US$73m
Pre-tax FCF (LoM; Avg pa)	US$651m; US$59m
Net FCF (LoM; Avg pa)	US$458m; US$41m
NPV (8% discount rate)	Pre-tax US$356m; Post-tax US$241m
IRR	Pre-tax 63.2%; Post-tax 48.6%
Payback	Pre-tax 1.7 years; Post-tax 2.1 years

Source: June 2018 Scoping Study and subsequent company press releases

PROJECT OVERVIEWS

Developing and commercialising the project

A final investment decision on the project's development will be taken by the company once the DFS has been completed. Alongside receiving the necessary regulatory approvals and social acceptance of the project, Savannah also needs to secure the capital required to fund the project's construction. The Group expects to obtain the capital it needs from multiple sources including the debt capital markets in the form of a project finance loan, new strategic partners investing directly in the project, finance linked to offtake agreements for the project's lithium concentrate, government and/or EU grants or loans, and from the equity capital markets.

Drilling on the Pinheiro deposit at the Mina do Barroso project:

Source: Company photo

PROJECT OVERVIEWS

Mina do Barroso – a first for Portugal in the new lithium battery industry
Portugal is already established as Europe's 'largest' lithium producer with approximately 1,200t produced in 2019. However, all of the country's current lithium production is used in the domestic ceramics and glassware industries, and not in lithium battery production. Significant lithium mineralisation exists in Portugal, including at Mina do Barroso, and in 2018 the Portuguese Government announced its 'lithium strategy' to support the development of a new national manufacturing industry to service the growing lithium battery market in Europe.

As part of this strategy, the Portuguese Government has identified a number of areas prospective for lithium mineralisation which will be made available for exploration via a public tender process. At present a strategic environmental assessment is underway on these areas which is due to be completed in November 2021. Once that assessment is completed, it is expected that the Government will initiate the tender process in which Savannah plans to participate as the most advanced lithium development company in the country.

In parallel with its plans to develop its lithium mining industry the government published new legislation relating to mineral deposits which sets more demanding standards of environmental sustainability, the sharing of economic benefits with the populations and gives more powers to the municipalities in regards to mineral project development. This new Regulatory Decree ensures that the exploration and use of mineral deposits can only be developed in compliance with the principles of 'green mining'.

Given its own 'Green & Smart Mining' concept designed to maximise the benefits which can flow from mineral project development, Savannah welcomes this new legislation. The Company is already committed to developing Mina do Barroso in a sustainable and responsible way that minimises the impact associated with the operation so that the maximum overall environmental benefit is gained from the lithium once it is incorporated into a battery. It also means that Savannah is dedicated to ensuring the best outcomes for the project's stakeholders in terms of social and economic benefits.

While large scale lithium mining alone would represent a new industry for Portugal, the government has stated that it wants to develop a domestic lithium industry that goes beyond mining and features downstream stages such as lithium chemical production. Hence, Mina do Barroso must be seen as part of the first phase in the development of a much larger national concern. As a result of these objectives, the Mina do Barroso project benefits from sustained national government support. When lithium production is achieved at Mina do Barroso, Portugal will be placed at the centre of the new European lithium battery supply chain which the European Commission is so keen to establish as part of its efforts to combat climate change while maintaining the region's large automotive industry. The transport sector is the second largest generator of emissions (CO_2 equivalent) in the EU behind energy supply.

Mutamba Mineral Sands Project, Mozambique
Savannah has been active in the Mineral Sands sector (titanium minerals and zircon) in southern Mozambique since 2013 and in October 2016 completed a Consortium Agreement with Rio Tinto which combined Savannah's Jangamo Project with Rio Tinto's adjacent Mutamba Project (which included three deposit areas - Jangamo, Dongane and Ravene), and its Chilubane Deposit, located 180km to the south west of the Mutamba Project. The enlarged collective Mutamba Project, which is in the Gaza and Inhambane provinces and about 450km northeast of Mozambique's capital, Maputo, benefits from good infrastructure, including road, power and access to the nearby ports of Inhambane and Maxixe approximately 40km away.

Having submitted Mining Licence applications for the project in 2018, the Consortium was pleased to be awarded the Licences for the three concessions (9228C, 9229C and 9735C) which cover the key resource-bearing deposits on the project during December 2019 and January 2020. The Licences are all valid for an initial 25-year period with the potential to be extended by a further 25 years if required. The application for the Chilubane concession (9230C), which is located over 100km to the south of the main project area, remains under consideration by the authorities.

PROJECT OVERVIEWS

Mining Concession No.	Mining Concession Name	Area (km^2)	Expiry Date	Status
9228C	Jangamo Rio	118.1	3 Sep 2044	Licence issued
9229C	Dongane	161.3	6 May 2044	Licence issued
9735C	Jangamo Matilda	119.5	9 Apr 2044	Licence issued
9230C	Chilubane	138.0	-	Under Consideration

Source: Mutamba Licencing RNS, Jan 2020

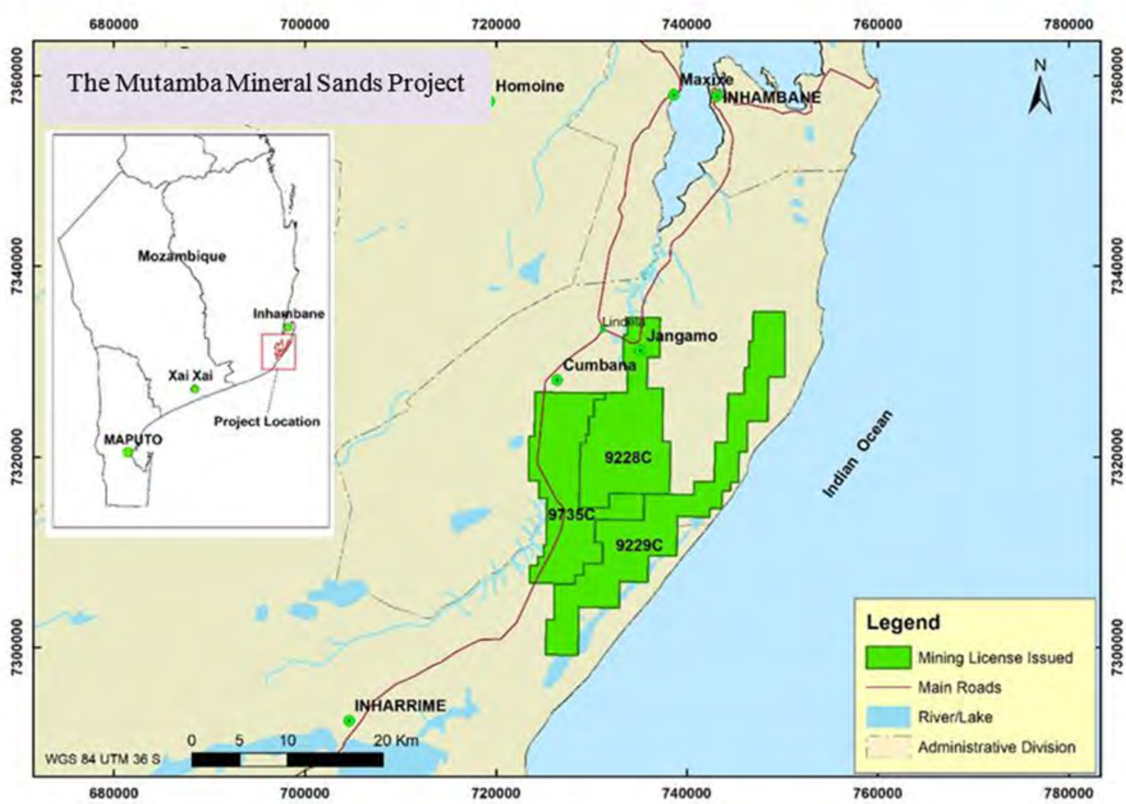
Partnered with Rio Tinto, but Savannah taking the lead

Savannah is the operator and currently holds a 20% share in the Consortium having completed a Scoping Study on the project in 2017. The Group may increase its stake in the Consortium up to 51% by funding and completing Pre-Feasibility (for an interim 35% stake) and Feasibility studies on the project. Rio Tinto contributes its existing Mutamba camp, facilities and associated equipment, and the Consortium Agreement includes an offtake agreement on commercial terms for the sale of 100% of production to Rio Tinto (or an affiliate).

Mutamba's Mineral Resources: A project of global scale

The global Mineral Resource estimate for the Mutamba project (Jangamo, Dongane and Ravene) currently stands at 4.4Bt at 3.9% total heavy minerals ("THM") comprising both Indicated and Inferred category material and containing ilmenite, rutile and zircon. This includes a high-grade portion of 92Mt at 6.2% THM, which was defined at Ravene. Significant potential also remains to expand the resource beyond its current boundaries, which will be the focus of future prospecting activities.

The Mutamba project location:



Source: Mutamba Licencing RNS, Jan 2020

PROJECT OVERVIEWS

Mutamba JORC Mineral Resource Estimate (May 2017):

Deposit	Resource Category	Sand (Mt)	Heavy Minerals (%)	Ilmenite (% in Heavy Minerals)	Ilmenite (% in sand)	Rutile (% in sand)	Zircon (% in sand)
Jangamo (1336L)	Indicated	1,780	3.8	62	2.4	0.06	0.11
	Inferred	200	3.5	63	2.2	0.03	0.11
Jangamo (3617L)	Inferred	65	4.2	60	2.5	0.08	0.15
Dongane	Inferred	1,400	3.8	61	2.3	0.07	0.10
Ravene	Inferred	900	4.1	56	2.3	–	0.10
Total		**4,400**	**3.9**	**60**	**2.3**	**0.05**	**0.11**

Rounding discrepancies may occur
Source: Mutamba Scoping Study RNS, May 2017

Project development concept outlined by 2017 Scoping Study

The Mutamba Project has the potential for the definition of a large orebody able to sustain a significant mining operation. The mineralisation is amenable to dry mining and dredge mining in parts, with ilmenite being the dominant heavy mineral present. Savannah's overall objective, together with Rio Tinto, is to build a commercial mineral sands presence in Mozambique delivering a stable supply of titanium feedstock to global markets, via Rio Tinto's offtake.

Mineral sands industry expert TZMI was commissioned to conduct a scoping study to evaluate an initial low capex, long life, dry mining operation. Key findings of the study, which was published in May 2017, are given in the following table.

PROJECT OVERVIEWS

Mutamba Mineral Sands: Scoping Study key data

	Mutamba TZMI Base Case Prices	Management Case One +10% Product Price	Management Case Two +20% Product Price
Mineable resource	451Mt at 6.0% THM (based on a conceptual mine plan utilising 33% Indicated and 67% Inferred resource)		
Life of mine (LOM)	30 years		
Mining rate	15Mtpa		
Life of mine strip ratio (waste: ore)	2:451		
Average annual production	456,000t of ilmenite and 118,000t of non-magnetic concentrate		
Pre-production capital expenditure	US$152m		
Contingency	US$74m		
Ilmenite Price (Free on Board, FOB)	US$185/t	US$204/t	US$222/t
Nonmagnetic Concentrate (FOB)	US$250/t	US$275/t	US$300/t
Pre-Tax Free Cashflow (LOM)	US$1,007M	US$1,347M	US$1,686M
Pre-Tax Average Annual Free Cashflow	US$41M	US$52M	US$62M
Pre-Tax NPV (10% discount)	US$154M	US$245M	US$335M
IRR (pre-tax)	19%	23%	27%
Payback Period (pre-tax)	5yrs	4yrs	3yrs

Source: Mutamba Scoping Study RNS, May 2017

Recent work & Appointment of Farview Solutions as Strategic Adviser

Following the formal award of the third key Mining Licence in January 2020, Savannah began work to ensure compliance with the near and long-term requirements of the new licences. Prior to COVID-related restrictions curtailing field activities the project team and its consultants successfully demarcated the boundaries of the new licences. Focus then switched to meeting the need to complete Environmental Impact Assessments and land use and utilisation agreements (DUATs) for each concession. Competitive tender processes were held for both these major pieces of work during 2020. As a result, work on the DUATs is well underway, and the Consortium expects to appoint a consultant to begin the critical EIA work very soon.

In parallel with the licence-focused work programmes, and following consultation with Rio Tinto, the Group announced in October 2020 the appointment of Farview Solutions as strategic adviser to the Company in relation to Mutamba. Building on the Scoping Study, Savannah and Farview are initially focusing on identifying the optimum technical design for an operation at Mutamba. TZ Minerals International Pty. Ltd. ("TZMI") have been commissioned to produce an updated 'concept' study for this process, which once completed, can be fed into the project PFS. Completion of the project design will also give Farview and Savannah the foundation on which to identify an optimised commercial and corporate structure around the project which allows its value to be better recognized by the market. Savannah hopes to significantly advance this exercise during 2021.

PROJECT OVERVIEWS

The mineral sands pilot plant at Mutamba

Source: Company photo

REPORT OF THE DIRECTORS

The Directors present their report with the Financial Statements of the Company and the Group for the year ended 31 December 2020.

Dividends
The Directors do not recommend the payment of a dividend (2019: £nil).

Events Since the Reporting Date
This information is contained in Note 25 to the Financial Statements.

Directors
The Directors who have held office during the period from 1 January 2020 to the date of this report (unless otherwise stated) are as follows:

David Stuart Archer
Dale John Ferguson
Matthew James Wyatt King
Maqbool Ali Sultan
Imad Kamal Abdul Redha Sultan
James Gerald Leahy
Manohar Pundalik Shenoy[1]
Murtadha Ahmed Sultan[1]

[1] Alternate Director

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

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

Future Development
This information is contained in the Chairman's Statement and the Chief Executive's Report.

Going Concern
This information is contained in the Strategic Report in the Key Financial Performance Indicators and Milestones section.

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

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

REPORT OF THE DIRECTORS

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

	No. of shares held at 31 December 2020	No. of shares held at 31 December 2019
David Stuart Archer	**39,756,649**	41,756,649
Matthew James Wyatt King	**2,604,028**[3]	1,104,028
Dale John Ferguson	**49,581,604**[2]	49,581,604[2]
Maqbool Ali Sultan[1]	**–**	–
Imad Kamal Abdul Redha Sultan[1]	**–**	–
James Gerald Leahy	**1,150,000**	1,150,000
Manohar Pundalik Shenoy[1]	**5,809,524**	5,809,524
Murtadha Ahmed A Sultan[1]	**–**	–

[1] The Directors indicated are representatives of Al Marjan Ltd which held 268,262,589 shares at the reporting date (2019: 268,262,589 shares).
[2] 45,993,750 shares (2019: 45,993,750 shares) held indirectly through Slipstream Resources Investments Pty Ltd.
[3] Following the subscription of 312,500 shares in the cash subscription approved on 21 April 2021 the number of shares held are 2,916,528.

Details of Directors' remuneration are disclosed in Note 3.

Details of Directors' interests in Share Options and Investor Warrants are disclosed in Note 23.

Substantial Shareholding
At the date of this report the Company has been notified or is aware of the following interest in the shares of the Company of 3% or more of the Company's total issued Share Capital[1]:

Name of Shareholder	**No. of shares**	**%**
Al Marjan Ltd (Directors[2])	**268,262,589**	**15.88%**
Slipstream Resources Investments Pty Ltd	**147,180,000**	**8.71%**

[1] Except those exempts under DTR 5.1.5 regulation.
[2] Two Directors are representatives of Al Marjan.

On behalf of the Board:

David Archer
Chief Executive Officer

Date: 1 June 2021

CORPORATE GOVERNANCE STATEMENT

The Company strives to ensure that its corporate governance policies and procedures which are in place across the Group are of a high standard. The Board acknowledges the importance of good corporate governance and in light of the Group's size and rate of progression, decided to adopt the provisions of the QCA Corporate Governance Code in September 2018 ("the Code").

The Corporate Governance Statement in relation to the principles of the QCA Corporate Governance Code is provided on the Company website at http://www.savannahresources.com/investor-relations/corporate-governance/.

The Code is described as a practical, outcome orientated approach to corporate governance that is tailored for small and mid-size companies. It is a valuable reference for growing companies wishing to follow good governance practice. The Company has adopted the Code because it allows it to take a flexible yet adequate approach to corporate governance, ensuring that the Company places the right people in the right roles and to ensure that right things are being done to deliver value for all its stakeholders.

Following the appointment to the Board of James Leahy as an independent non-executive Director in November 2018, the Company's Chairman relinquished his roles as Chairman of the Remuneration Committee and Chairman of the Audit and Risk Committee, and subsequently left both Committees, thus strengthening the independence of those Committees from the Board itself.

In February 2021, the Company established a Nominations Committee, prior to that the Board itself was responsible for the matters falling under the responsibility of this Committee, and on an annual basis had reviewed the need for a Nominations Committee. The rationale for the creation of the Committee is to reflect the Company's growing maturity and its planned transition from explorer / developer into mine operator.

The Board of Directors

The Board comprises of two executive Directors, four non-executive Directors and two alternate Directors. Ordinarily, the Board formally meets approximately every quarter, however owing to the unique challenges and opportunities presented in 2020 the Board met more regularly to focus on priority matters. The Board is responsible for setting and monitoring group strategy, reviewing budgets and financial performance, ensuring adequate funding, examining major portfolio management matters, formulating policy on key issues and reporting to the shareholders.

Internal Financial Control

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

The Audit and Risk Committee

The Audit Committee's responsibilities were expanded to include a risk function in 2018 when it became the Audit and Risk Committee. In particular, the Committee is reviewing inter alia items reported under the Company's Compliance Policy and facilitates the management of the Group's Risk Register, in conjunction with the Board, senior managers and appropriate professional advisers.

It comprises one non-executive Director and one alternate Director – James Leahy (who chairs the Committee), and Manohar Shenoy. The Committee's key responsibilities with respect to audit are for ensuring that the financial performance of the Group is properly reported on and monitored, and for meeting the auditors and reviewing the reports from the auditors relating to accounts and internal controls. It also reviews the Group's annual and interim Financial Statements before submission to the Board for approval. The Committee's key responsibilities with respect to risk are providing input to the Board in its assessment of enterprise risk and the determination of risk appetite as part of the overall setting of strategy for the Group. It also assists the Board in its oversight of the Group's risk management framework including monitoring its effectiveness.

The Group operates a risk register, with the intention of allowing risks to be identified, tracked and addressed in order to mitigate any potential damage to the Group or its businesses. Reporting on identified risks as per the Group's risk register is a standard recurring item at the Committee's meetings and periodic updates are provided to the Committee following the executive Management team's reviews.

CORPORATE GOVERNANCE STATEMENT

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

AIM Rule Compliance Committee
The AIM Rule Compliance Committee comprises one non-executive and one executive Director – Matthew King (who chairs the Committee) and David Archer, the CEO. It is responsible for ensuring that resources and procedures are in place to ensure the Company is at all times in compliance with the AIM Rules for Companies. The Committee is responsible for the Company's Corporate Governance Code management. The Committee is also responsible for ensuring that the executive Directors and Management are communicating effectively with the Company's Nominated Adviser.

Furthermore, the Committee is responsible for monitoring the Company's compliance with the AIM Rules and the Market Abuse Regulations.

Nominations Committee
The Nominations Committee, established in February 2021, comprises two non-executive Directors – Matthew King (who chairs the Committee) and Imad Sultan. It is responsible for reviewing the structure, size, and composition of the Board of Directors, giving consideration to succession planning for Directors and senior executives, and identifying and nominating candidates for the approval of the Board as required. It is also responsible for monitoring the performance of the Board of Directors.

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

The necessary controls and procedures, updated by the Board in 2017 in order to comply with the UK Bribery Act 2010, continue to be reviewed to ensure compliance and are scheduled to be updated in June 2021.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have elected to prepare the Group and Company Financial Statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. Under Company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. The Directors are also required to prepare Financial Statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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

REPORT OF THE INDEPENDENT AUDITORS

to the members of Savannah Resources Plc

Opinion on the financial statements
In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2020 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the Parent Company financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Savannah Resources Plc (the "Parent Company") and its subsidiaries (the "Group") for the year ended 31 December 2020 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Statements of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006 and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Critically assessing the reasonableness of Directors' forecast expenditure for a period of at least twelve months from the date of approval of the financial statements by reference to Directors' planned activity and actual expenditure in 2020.
- Agreeing the current cash resources and post year end shares placing to supporting documentation.
- Evaluating Directors' sensitivity analysis and performing our own sensitivity analysis in respect of forecast expenditure. We assessed the validity of any mitigating actions identified by Directors.
- Reviewing and considering the adequacy of the disclosure within the financial statements relating to the Directors' assessment of the going concern basis of preparation.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

REPORT OF THE INDEPENDENT AUDITORS

to the members of Savannah Resources Plc

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

Coverage[1]	*100% (2019: 100%) of Group profit before tax* *100% (2019: 99%) of Group total assets*		
Key audit matters		2020	2019
	Carrying value of Exploration and Evaluation assets	✓	✓
	Going concern	✓	✓
Materiality	*Group financial statements as a whole* £320,000 (2019: £407,000) based on 1.5% (2019: 1.5%) of total assets		

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

Our Group audit scope focused on the Group's principal operating locations being the Mina do Barroso lithium project in Portugal held in Savannah Lithium Lda, and the Mutamba mineral sands project in Mozambique held in AME East Africa Ltd and Matilda Minerals Lda, which were subject to full scope audits. Together with the Parent Company, which was also subject to a full scope audit, these represent the significant components of the Group. The remaining components of the Group were considered non-significant and these components were principally subject to analytical review procedures, together with additional substantive testing over the risk areas detailed above where applicable to that component.

BDO LLP performed the audits of the Parent Company and all components except the Portuguese component, Savannah Lithium Lda, which was audited by the BDO network member firm in Portugal.

Our involvement with component auditor

For the work performed by component auditor, we determined the level of involvement needed in order to be able to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our opinion on the Group financial statements as a whole. Our involvement with component auditor included the following:

- Detailed Group reporting instructions were sent to the component auditor, which included the significant areas to be covered by the audit (including areas that were considered to be key audit matters as detailed below), and set out the information required to be reported to the Group audit team.
- The Group audit team was actively involved in the direction of the audits performed by the component auditor for the Group reporting purposes along with the consideration of findings and determination of conclusions drawn. The Group audit team performed additional procedures in respect of certain of the significant risk areas that represented Key Audit Matters in addition to the procedures performed by the component auditor.
- The Group audit team reviewed the component auditor's work papers remotely, including review of group reporting documents, attended clearance meetings virtually for the significant component and engaged with the component auditor regularly during their fieldwork and completion phases.

[1] These are areas which have been subject to a full scope audit by the group engagement team

REPORT OF THE INDEPENDENT AUDITORS

to the members of Savannah Resources Plc

Key audit matters

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

Key Audit Matter
Carrying value of Exploration and Evaluation Assets (note 1 and 8) As detailed in note 8 to the financial statements, the Group holds two groups of exploration and evaluation assets: a lithium project in Portugal and a mineral sands project in Mozambique. As set out in the accounting policy on Exploration and Evaluation Assets in note 1 to the financial statements, accounting standards require Management to carry out an assessment at least annually for any indicators of impairment. Reviewing indicators of impairment often require significant judgements, which are explained in the section on key judgements relating to Exploration and Evaluation assets in note 1 to the financial statements. Given the subjectivity of the judgements involved we identified this impairment indicators assessment as a significant risk area and a key audit matter.

How the Scope of Our Audit Addressed the Key Audit Matter

We reviewed and challenged Management's assessment of the indicators of impairment, which was prepared in accordance with the requirements of IFRS 6, Exploration for and Evaluation of Mineral Resources, by performing the following procedures:

- We agreed their assessment to supporting documentation, including:
  - Technical data relating to mineral resources
  - Scoping studies where available
  - Exploration and mining licence permits
- We read the key licence agreements and confirmed that the Group has contractual rights for exploration in the licence areas. We assessed and obtained evidence regarding the commitments and obligations associated with the licences and read correspondence with local authorities to determine compliance with the licences.
- We reviewed Management's plans and budgets and assessed whether the Group is committed to the development of the projects and substantive expenditure on further exploration for and evaluation of mineral resources in the areas is budgeted and planned.
- We reviewed RNS announcements and minutes from the meetings of Directors and considered other potential impairment indicators, such as the impact of COVID-19.

Key Observations:

We found no instances which may suggest that the impairment indicators assessment of Exploration and Evaluation Assets prepared by Management not to be acceptable and appropriately disclosed.

REPORT OF THE INDEPENDENT AUDITORS

to the members of Savannah Resources Plc

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Parent Company financial statements	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Materiality	320	407	270	300
Basis for determining materiality	1.5% of total assets	1.5% of total assets	1.5% of total assets capped at 84% of Group materiality	1.5% of total assets capped at 74% of Group materiality
Rationale for the benchmark applied	We consider total assets to be the most significant determinant of the Group's financial performance for users of the financial statements as the Group continues to bring its mining assets through to production. It is consistent with our approach adopted in previous years.		Given the nature of company's activities, we considered the total assets to be the most appropriate basis. It is consistent with our approach adopted in previous years.	
Performance materiality	240	305	202	225
Basis for determining performance materiality	75% of Group materiality considering the nature of activities and historic value of audit adjustments		75% of Parent Company materiality considering the nature of activities and historic value of audit adjustments	

Component materiality

We set materiality for each component of the Group based on a percentage of between 44% and 84% of Group materiality dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality ranged from £140,000 to £270,000. In the audit of each component, we further applied performance materiality levels of 75% of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

REPORT OF THE INDEPENDENT AUDITORS

to the members of Savannah Resources Plc

Reporting threshold
We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £6,400 (2019: £8,100). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information
The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting
Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit:

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

In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

REPORT OF THE INDEPENDENT AUDITORS

to the members of Savannah Resources Plc

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

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

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Holding discussions with management and the audit committee to understand the laws and regulations relevant to the Group and Parent Company. These included elements of financial reporting framework, Companies Act 2006, tax legislation and environmental regulations in the UK, Portugal and Mozambique;
- Holding discussions with management and the audit committee and considering any known or suspected instances of non-compliance with laws and regulations or fraud identified by them;
- Testing the appropriateness of journal entries made through the year by applying specific criteria, such as unusual account combinations, to detect possible irregularities and fraud;
- Performing a detailed review of the Group's year end adjusting entries and investigating any that appear unusual as to nature or amount;
- For significant and unusual transactions, particularly those occurring at or near year-end, investigating the possibility of related parties and the sources of financial resources supporting the transactions;
- Assessing the judgements made by management when making key accounting estimates and judgements, and challenging management on the appropriateness of these judgements;
- Reviewing minutes from board meetings of those charges with governance to identify any instances of non-compliance with laws and regulations;
- Communicating relevant identified laws and regulations and potential fraud risks to all engagement team members and remaining alert to any indications of fraud or non-compliance with laws and regulations throughout the audit; and
- Directing the component auditor to ensure an assessment is performed on the extent of the components compliance with the relevant local and regulatory framework.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

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

Peter Acloque (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London

1 June 2021

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2020

	Notes	2020 £	2019* £
CONTINUING OPERATIONS			
Revenue		**–**	–
Other Income		**26,099**	35,325
Administrative Expenses		**(2,988,663)**	(3,633,672)
OPERATING LOSS		**(2,962,564)**	(3,598,347)
Finance Income		**38,747**	25,621
Finance Costs		**(765)**	(1,528)
LOSS FROM CONTINUING OPERATIONS BEFORE AND AFTER TAX	4	**(2,924,582)**	(3,574,254)
LOSS ON DISCONTINUED OPERATIONS BEFORE AND AFTER TAX	24	**(5,401,176)**	(227,672)
LOSS BEFORE AND AFTER TAX ATTRIBUTABLE TO EQUITY OWNERS OF THE PARENT		**(8,325,758)**	(3,801,926)
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss:			
Net change in Fair Value Through Other Comprehensive Income of Equity Investments		**320,151**	2,496
Items that will or may be reclassified to profit or loss:			
Exchange Losses arising on translation of foreign operations		**(163,284)**	(609,228)
OTHER COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR		**156,867**	(606,732)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO EQUITY OWNERS OF THE PARENT		**(8,168,891)**	(4,408,658)
Loss per share attributable to equity owners of the parent expressed in pence per share:			
Basic and diluted			
From Operations	7	**(0.62)**	(0.36)
From Continued Operations	7	**(0.22)**	(0.34)
From Discontinued Operations	7	**(0.40)**	(0.02)

* The disclosures as at 31 December 2019 have been re-presented so that the operations that are discontinued at the end of the 2020 financial year are classified as discontinued.

The notes form part of these Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2020

ASSETS	**Notes**	**2020 £**	2019 £
NON-CURRENT ASSETS			
Intangible Assets	8	**17,246,222**	21,068,376
Right-of-Use Assets	21	**21,709**	37,785
Other Intangible Assets		**6,682**	10,804
Property, Plant and Equipment	9	**973,528**	1,337,229
Other Non-Current Assets	15	**73,530**	248,275
Bank Deposits	15	**590,175**	742,363
TOTAL NON-CURRENT ASSETS		**18,911,846**	23,444,832
CURRENT ASSETS			
Equity instruments at FVTOCI	11	**606,245**	36,762
Trade and Other Receivables	13	**194,301**	285,699
Other Current Assets	15	**13,670**	19,171
Cash and Cash Equivalents	14	**2,000,209**	3,484,781
TOTAL CURRENT ASSETS		**2,814,425**	3,826,413
TOTAL ASSETS		**21,726,271**	27,271,245
EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share Capital	16	**14,309,910**	12,974,598
Share Premium	16	**34,474,884**	33,511,787
Merger Reserve		**6,683,000**	6,683,000
Foreign Currency Reserve		**(193,541)**	(30,257)
Warrant Reserve	23	**12,157**	975,679
Share Based Payment Reserve	23	**393,865**	410,121
FVTOCI Reserve		**276,712**	(43,439)
Retained Earnings		**(35,450,713)**	(28,163,712)
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**20,506,274**	26,317,777
LIABILITIES			
NON-CURRENT LIABILITIES			
Lease Liabilities	21	**1,130**	12,059
TOTAL NON-CURRENT LIABILITIES		**1,130**	12,059
CURRENT LIABILITIES			
Lease Liabilities	21	**11,608**	18,990
Trade and Other Payables	17	**1,207,259**	922,419
TOTAL CURRENT LIABILITIES		**1,218,867**	941,409
TOTAL LIABILITIES		**1,219,997**	953,468
TOTAL EQUITY AND LIABILITIES		**21,726,271**	27,271,245

The Financial Statements were approved and authorised for issue by the Board of Directors on 1 June 2021 and were signed on its behalf by:

David Archer
Chief Executive Officer
Company number: 07307107

The notes form part of these Financial Statements.

COMPANY STATEMENT OF FINANCIAL POSITION

as at 31 December 2020

ASSETS	Notes	2020 £	2019 £
NON-CURRENT ASSETS			
Investments in Subsidiaries	10	**621,582**	894,993
Other Intangible Asset		**5,948**	5,948
Other Receivables	13	**32,995,016**	33,265,297
Other Non-Current Assets	15	**6,776**	41,068
TOTAL NON-CURRENT ASSETS		**33,629,322**	34,207,306
CURRENT ASSETS			
Equity instruments at FVTOCI	11	**604,136**	33,935
Trade and Other Receivables	13	**47,908**	70,338
Cash and Cash Equivalents	14	**1,237,876**	3,277,943
TOTAL CURRENT ASSETS		**1,889,920**	3,382,216
TOTAL ASSETS		**35,519,242**	37,589,522
EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share Capital	16	**14,309,910**	12,974,598
Share Premium	16	**34,474,884**	33,511,787
Merger Reserve		**6,683,000**	6,683,000
Warrant Reserve	23	**12,157**	975,679
Share Based Payment Reserve	23	**393,865**	410,121
FVTOCI Reserve		**276,712**	(43,439)
Retained Earnings		**(21,455,793)**	(17,341,234)
TOTAL EQUITY		**34,694,735**	37,170,512
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	17	**824,507**	419,010
TOTAL LIABILITIES		**824,507**	419,010
TOTAL EQUITY AND LIABILITIES		**35,519,242**	37,589,522

The Company total comprehensive loss for the financial year was £4,833,165 (2019: £4,598,068) (Note 6).

The Financial Statements were approved and authorised for issue by the Board of Directors on 1 June 2021 and were signed on its behalf by:

David Archer
Chief Executive Officer
Company number: 07307107

The notes form part of these Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2020

	Share Capital £	Share Premium £	Merger Reserve £	Foreign Currency Reserve £	Warrant Reserve £	Share Based Payment Reserve £	FVTOCI Reserve £	Retained Earnings £	Total Equity £
At 1 January 2019	8,814,518	31,060,554	–	579,126	1,000,221	508,051	(58,737)	(16,485,626)	25,418,107
Loss for the 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
Loss for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(8,325,758)**	**(8,325,758)**
Other Comprehensive Income	**–**	**–**	**–**	**(163,284)**	**–**	**–**	**320,151**	**–**	**156,867**
Total Comprehensive Income for the year	**–**	**–**	**–**	**(163,284)**	**–**	**–**	**320,151**	**(8,325,758)**	**(8,168,891)**
Issue of share capital (net of expenses) (Note 16)	**1,300,113**	**920,537**	**–**	**–**	**–**	**–**	**–**	**–**	**2,220,650**
Shares issued in lieu (Note 16)	**20,199**	**16,160**	**–**	**–**	**–**	**–**	**–**	**–**	**36,359**
Share based payment charges	**–**	**–**	**–**	**–**	**–**	**58,979**	**–**	**–**	**58,979**
Exercise of options (Note 16,23)	**15,000**	**26,400**	**–**	**–**	**–**	**(16,650)**	**–**	**16,650**	**41,400**
Lapse of options	**–**	**–**	**–**	**–**	**–**	**(58,585)**	**–**	**58,585**	**–**
Lapse of warrants	**–**	**–**	**–**	**–**	**(963, 522)**	**–**	**–**	**963,522**	**–**
At 31 December 2020	**14,309,910**	**34,474,884**	**6,683,000**	**(193,541)**	**12,157**	**393,865**	**276,712**	**(35,450,713)**	**20,506,274**

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.

The notes form part of these Financial Statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2020

	Share Capital £	Share Premium £	Merger Reserve £	Warrant Reserve £	Share Based Payment Reserve £	FVTOCI Reserve £	Retained Earnings £	Total Equity £
At 1 January 2019	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
Loss for the year	**–**	**–**	**–**	**–**	**–**	**–**	**(5,153,316)**	**(5,153,316)**
Other Comprehensive Income	**–**	**–**	**–**	**–**	**–**	**320,151**	**–**	**320,151**
Total Comprehensive Income for the year	**–**	**–**	**–**	**–**	**–**	**320,151**	**(5,153,316)**	**(4,833,165)**
Issue of share capital (net of expenses) (Note 16)	**1,300,113**	**920,537**	**–**	**–**	**–**	**–**	**–**	**2,220,650**
Shares issued in lieu (Note 16)	**20,199**	**16,160**		**–**	**–**	**–**	**–**	**36,359**
Share based payment charges	**–**	**–**	**–**	**–**	**58,979**	**–**	**–**	**58,979**
Exercise of options (Note 16,23)	**15,000**	**26,400**	**–**	**–**	**(16,650)**	**–**	**16,650**	**41,400**
Lapse of options	**–**	**–**	**–**	**–**	**(58,585)**	**–**	**58,585**	**–**
Lapse of warrants	**–**	**–**	**–**	**(963,522)**	**–**	**–**	**963,522**	**–**
At 31 December 2020	**14,309,910**	**34,474,884**	**6,683,000**	**12,157**	**393,865**	**276,712**	**(21,455,793)**	**34,694,735**

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.

The notes form part of these Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2020

	Notes	2020 £	2019 £
Cash flows used in operating activities			
Loss for the year		**(8,325,758)**	(3,801,926)
Depreciation and amortisation charges	9,21	**44,663**	40,872
Share based payment charge	4,23	**58,979**	33,170
Shares issued in lieu of payments to suppliers	16	**36,359**	–
Finance income		**(38,747)**	(25,621)
Finance expense		**765**	1,528
Exchange losses/(gains)	4	**(37,580)**	196,229
Loss on sale of discontinued operations	24	**5,373,633**	–
Cash flow from operating activities before changes in working capital		**(2,887,686)**	(3,555,748)
Decrease in trade and other receivables		**176,312**	254,550
Increase/(Decrease) in trade and other payables		**443,541**	(589,705)
Net cash used in operating activities		**(2,267,833)**	(3,890,903)
Cash flow used in investing activities			
Purchase of intangible exploration assets	8,24	**(1,577,532)**	(4,169,238)
Purchase of other intangible assets		**–**	(1,278)
Purchase of tangible fixed assets	9	**(2,721)**	(21,296)
Purchase of investments	11	**–**	(28,371)
Proceeds from sale of investments	11	**3,272**	12,112
Bank deposits for mining licences		**57,319**	(742,363)
Interest received		**38,747**	25,621
Proceeds from sale of discontinued operations	24	**27,543**	–
Net cash used in investing activities		**(1,453,372)**	(4,924,813)
Cash flow from financing activities			
Proceeds from issues of ordinary shares (net of expenses)	16	**2,220,650**	4,826,400
Proceeds from exercise of share options	16	**41,400**	–
Principal paid on lease liabilities	21	**(18,310)**	(20,488)
Interest paid on lease liabilities	21	**(765)**	(1,528)
Net cash from financing activities		**2,242,975**	4,804,384
Decrease in Cash and Cash Equivalents		**(1,478,230)**	(4,011,332)
Cash and Cash Equivalents at beginning of year	14	**3,484,781**	7,715,435
Exchange losses on cash and cash equivalents		**(6,342)**	(219,322)
Cash and Cash Equivalents at end of year	14	**2,000,209**	3,484,781

The notes form part of these Financial Statements.

COMPANY STATEMENT OF CASH FLOWS

for the year ended 31 December 2020

	Notes	2020 £	2019 £
Cash flows used in operating activities			
Loss for the year		**(5,153,316)**	(4,600,564)
Impairment of financial assets	13	**(404,684)**	1,035,627
Share based payment reserve charge	4,23	**58,979**	33,170
Shares issued in lieu of payments to extinguish liabilities	16	**36,359**	–
Finance income		**(4,819)**	(25,514)
Exchange losses/(gains)		**(1,289,781)**	1,718,168
Loss on sale of subsidiaries	24	**5,438,172**	–
Cash flow from operating activities before changes in working capital		**(1,319,090)**	(1,839,113)
Decrease in trade and other receivables		**258,071**	182,233
Increase/(Decrease) in trade and other payables		**439,527**	(512,038)
Net cash used in operating activities		**(621,492)**	(2,168,918)
Cash flow used in investing activities			
Investment in subsidiaries	10	**(36,180)**	(27,195)
Loans to subsidiaries	13	**(3,658,442)**	(6,512,623)
Purchase of investments	11	–	(26,326)
Proceeds from sale of investments	11	**–**	12,112
Proceeds from sale of subsidiaries	24	**27,543**	–
Interest received		**4,819**	25,514
Net cash used in investing activities		**(3,662,260)**	(6,528,518)
Cash flow from financing activities			
Proceeds from issues of ordinary shares (net of expenses)	16	**2,220,650**	4,826,400
Proceeds from exercise of share options	16	**41,400**	–
Net cash from financing activities		**2,262,050**	4,826,400
Decrease in Cash and Cash Equivalents		**(2,021,702)**	(3,871,036)
Cash and Cash Equivalents at beginning of year	14	**3,277,943**	7,368,469
Exchange losses on cash and cash equivalents		**(18,365)**	(219,490)
Cash and Cash Equivalents at end of year	14	**1,237,876**	3,277,943

The notes form part of these Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2020

1. ACCOUNTING POLICIES

Basis of Preparation

These Consolidated Financial Statements and the Company Financial Statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The Consolidated Financial Statements and the Company Financial Statements have been prepared under the historical cost convention with the exception of FVTOCI investments.

Presentational and Functional Currency

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

Going Concern

In common with many mineral exploration companies, the Company has raised equity finance to fund its activities. Following the receipt from the Placing and Subscription effective 20 April 2021 the Group had a pro-forma cash balance of £10.6m at 30 April 2021.

The Directors have reviewed the cash-flow projection for the Group to consider if it has sufficient finance in place to meet its financial commitments for at least 12 months. Taking into account the Group's committed costs and annual overheads for the 12 months from the date of this report, the group has £6.3m available for uncommitted expenditure on the following value adding priorities:

- expanding the MdB Project team,
- conducting further exploration on the MdB Project to increase its resources,
- evaluating opportunities to maximise its ESG credentials, and
- further developing its lithium business in the Iberian Peninsula.

Further, the Group plans to conduct a Definitive Feasibility Study which will be funded from either, a strategic partner (as described in the "Portugal – Lithium" section of the Chairman's Statement), or the partial reallocation of some of the aforementioned uncommitted expenditure, or investment from EIT's InnoEnergy's Business Investment Platform, or a combination of these, thus potentially reducing investment into other priorities.

In forming their view, the directors have considered the impacts of COVID-19 related restrictions and potential future delays on the work schedule. Whilst the potential future impacts are unknown, the Board has considered the effect that additional delays in the work schedule could have on the Group's available cash resources. Having factored in reasonably plausible scenarios and reasonable mitigating actions (for example, the ability to reduce its uncommitted future expenditure), the director's consider sufficient cash balance are maintained under each scenario and that the Company will be able to meet its obligations as they fall due.

Accordingly, the Directors have concluded that these circumstances form a reasonable expectation that the Group has adequate resources to continue in operational existence, for the foreseeable future. For these reasons, the Directors continue to adopt the going concern basis in preparing the Annual Report and Accounts.

Basis of Consolidation

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

Intercompany transactions and balances between group companies are eliminated in full.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2020

1. ACCOUNTING POLICIES continued

Equity Investments

Equity investments, excluding subsidiaries, are classified at fair value through other comprehensive income (FVTOCI). They are carried at fair value with changes in fair value recognised in Other Comprehensive Income and accumulated in the Fair Value Through Other Comprehensive Income Reserve. Upon disposal any balance within Fair Value Through Other Comprehensive Income Reserve is reclassified directly to Retained Earnings and is not reclassified to the Statement of Comprehensive Income.

All equity investments, excluding subsidiaries, held are quoted and traded in an active market. The variability in the range of reasonable fair value estimated for these instruments is not significant, therefore, when there is no active market for these equity investments the fair value will be estimated using historical market data. When there are no active market and a reliable measure of the fair value of the investments is not available these are carried at cost, this being the fair value carrying amount on the date of the reclassification. The change in market value represents the fair value of shares held at the reporting date less the cost or fair value at the start of the financial year.

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

Investments in Subsidiaries and Associates

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

Foreign Currencies

Transactions in foreign currencies are initially recorded in the functional currency by applying spot exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss.

The income statements of individual group companies with functional currencies other than Pound Sterling are translated into Pound Sterling at the average rate for the period, on the basis the average rate is a reasonable approximation of the spot rates throughout the year, and the Statement of Financial Position translated at the rate of exchange ruling on the reporting date. Exchange differences which arise from retranslation of the opening net assets and results of such subsidiary undertakings are taken to equity ("Foreign Currency Reserve").

On disposal of such entities, the deferred cumulative amount recognised in equity relating to that particular operation is transferred to the Consolidated Statement of Comprehensive Income as part of the profit or loss on disposal.

Intangible Assets

Exploration and Evaluation Assets

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

1. ACCOUNTING POLICIES continued

Unevaluated mineral properties are assessed annually at reporting date for indicators of impairment in accordance with IFRS 6. For the purposes of assessing indicators of impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash generating units) as disclosed in Note 8.

If commercial reserves are developed, the related deferred development and exploration costs are then reclassified as development and production assets within Property, Plant and Equipment.

Acquisitions of Mineral Exploration Licences

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

Other Intangible Assets

Once an option to acquire an exploration licence has been obtained by a group holding company, with the expectation that on execution the exploration licence is to be acquired by a subsidiary, costs are capitalised in Other Intangible Assets. Costs incurred include appropriate technical and administrative expenses but not general overheads. On execution of the option by a subsidiary the Other Intangible Assets are reclassified to Investments in the Group holding company and classified as Exploration and Evaluation Assets by the subsidiary that acquired the licence.

Property, Plant and Equipment

Tangible non-current assets used in exploration and evaluation are classified within Tangible Non-Current Assets as Property, Plant and Equipment. To the extent that such tangible assets are consumed in exploration and evaluation the amount reflecting that consumption is recorded as part of the cost of the intangible asset.

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

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

Financial Instruments

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

Financial Assets

Trade and Other Receivables

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

Under IFRS 9, impairment provisions are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

1. ACCOUNTING POLICIES continued

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

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

Cash and Cash Equivalents

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

Bank Deposits

Bank Deposits represents deposits that are not expected to be converted into cash within less than a year and therefore are classified as Non-Current Assets. Bank Deposits are measured at cost, less any impairment.

Guarantees

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

Financial Liabilities

Other Liabilities

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

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

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

Taxation

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

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

Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used.

1. ACCOUNTING POLICIES continued

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonably certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

Amounts payable for leases covered by the short-term exemption are charged to the income statement on a straight-line basis over the term of the relevant lease.

Share-Based Payments

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

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

Where equity instruments are granted to persons other than employees for goods and services received, the fair value of goods and services received is recognised in either the Statement of Comprehensive Income or the Statement of Financial Position in accordance with the Group's relevant accounting policies. Where it is not possible to reliably value the goods or services received, the fair value is measured by valuing the equity instruments granted using an option an option pricing model. The probability of non-vesting conditions being satisfied are included in the fair value recognised at the measurement date.

Where warrants are granted as part of cash subscriptions of new shares in the Company these are designated as Investor Warrants. The fair value of the Investor Warrants at the date of grant is charged thus decreasing the value of the Share Premium. Fair value is measured by use of a warrant pricing model.

1. ACCOUNTING POLICIES continued

On lapse of the share options and warrants the cumulative fair value registered in the Share Based Payment Reserve and Warrant Reserve respectively is transferred to Retained Earnings.

Joint Arrangements

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

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

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

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

Non-Current Assets Held for Sale

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

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

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

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

Discontinued Operations

The results of operations disposed during the year are included in the Consolidated Statement of Comprehensive Income up to the date of disposal.

A discontinued operation is a component of the Group's business that represents a separate major line of business that has been disposed of, has been abandoned or that meets the criteria to be classified as held for sale.

Discontinued operations are presented in the Consolidated Statement of Comprehensive Income as a single line which comprises the Post-Tax Profit or Loss of the discontinued operation along with the Post-Tax Gain or Loss recognised on the re-measurement to fair value less costs to sell or on disposal of the assets or disposal groups constituting discontinued operations.

1. ACCOUNTING POLICIES continued

Contingent Consideration

The Group measures Contingent Consideration at the date of disposal at fair value and recognises the relevant financial asset. The Group measures the Contingent Consideration at fair value at each reporting date and changes in fair value are recognised in profit and loss.

Key Accounting Estimates and Judgements

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

The key accounting estimates and assumptions are set out below:

(a) Useful Economic Life of the Pilot Plant

In determining the useful economic life of the pilot plant in the Mozambique Operations the Management have made assumptions based on the guidance of third parties experts (Note 9).

The key judgements are set out below:

(a) Going concern

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

(b) Exploration and evaluation costs

The Group has to apply judgement in determining whether exploration and evaluation expenditure should be capitalised within intangible assets as exploration and evaluation costs or expensed. The Group has a policy of capitalising all costs which relate directly to exploration and evaluation costs (as set out above). The total value of exploration and evaluation costs capitalised as at each of the reporting dates is set out in Note 8. When the Group has applied for exploration and mining licences and these have not been granted at the reporting date the Management apply judgement in determining if this should be considered as an impairment indicator. Management takes into account historic information about the timing of granting licences by the relevant ministers and governments, and the information provided by the Group's local teams based on communications with these bodies.

(c) Carrying value of Exploration and Evaluation Assets

The Group assesses at each reporting period whether there is any indication that these assets may be impaired. If such indication exists, the Group estimates the recoverable amount of the asset. In the early stages of exploration an indication of impairment may arise from drilling and assay results or from Management's decision to terminate the project. Further details are set out in Note 8.

(d) Impairment of Amounts due from Subsidiaries

When applying the expected credit loss model under IFRS 9 Management apply judgement to evaluate if there was a significant increase in the credit risk of the loans since initial recognition to determine the stage of these loans to conclude if need to be calculated the 12-months expected credit losses or the lifetime expected credit losses. To calculate the expected credit losses Management apply judgement to define several scenarios and their likelihood with the expected cash flows associated to the recovery of the loans, which are compared with the present value of the loans to calculate the expected credit losses.

1. ACCOUNTING POLICIES continued

(e) Classification of Joint Arrangement

In determining the accounting treatment of the agreements signed with other non-group companies (Note 12) Management needed to determine if joint control exists and therefore apply IFRS 11 Joint Arrangements. Also, when applying IFRS 11 it was necessary to evaluate the rights and obligations relating to the agreements to conclude if it was a Joint Operation or a Joint Venture. During 2020 and 2019 Management concluded that there were no relevant changes affecting the relationship between the Group and the other parties and therefore there are no changes to the initial accounting treatment of these agreements.

(f) Fair Value Consideration of Disposed Operations

The Management applied judgement in the calculation of the fair value of the contingent consideration received on disposal of the Omani Operations (Note 24). The Management defined several scenarios and their likelihoods with the expected cash flows associated to the recovery of the third-party loan and amounts receivable from the royalty rights.

Accounting Developments During 2020

The accounting policies adopted are consistent with those of the previous financial year. New standards and amendments to IFRS effective as of 1 January 2020 have been reviewed by the Group and there has been no material impact on the Financial Statements as a result of these standards and amendments.

Accounting Developments Not Yet Effective

There are a number of standards and interpretations which have been issued by the International Accounting Standards Board that are effective in future accounting periods that the Group has decided not to adopt early. The Group is currently assessing the impact of these new accounting standards and amendments and does not expect a material impact on the Group Financial Statements.

2. SEGMENTAL REPORTING

The Group complies with IFRS 8 Operating Segments, which requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker, which the Company considers to be the Board of Directors. In the opinion of the Directors, the operations of the Group comprise of exploration and development in Portugal, exploration and development in Mozambique, headquarter and corporate costs, the Company's third party investments and the discontinued operation in Oman.

2. SEGMENTAL REPORTING continued

Based on the Group's current stage of development there are no external revenues associated to the segments detailed below. For exploration and development in Mozambique and Portugal and the discontinued operation in Oman the segments are calculated by the summation of the balances in the legal entities which are readily identifiable to each of the segmental activities. In the case of the Investments, this is calculated by analysis of the specific related investment instruments. Recharges between segments are effectively at cost and included in each segment below. Intercompany loans are eliminated to zero and not included in each segment below.

	Discontinued Operation Oman Copper	**Mozambique Mineral Sands**	**Portugal Lithium**	**HQ and corporate**	**Investments**	**Elimination**	**Total**
	£	**£**	**£**	**£**	**£**	**£**	**£**
2020							
Revenue[1]	**–**	**57,607**	**1,110,830[2]**	**926,819**	**–**	**(2,095,256)**	**–**
Finance Costs	**–**	**–**	**(765)**	**–**	**–**	**–**	**(765)**
Interest Income	**–**	**33,928**	**–**	**4,819**	**–**	**–**	**38,747**
Share based payments	**–**	**–**	**–**	**(58,979)**	**–**	**–**	**(58,979)**
Loss for the year	**(5,401,176)**	**(396,577)**	**(1,219,127)**	**(1,308,878)**	**–**	**–**	**(8,325,758)**
Total Assets	**–**	**5,403,090**	**13,917,231**	**1,799,705**	**606,245**	**–**	**21,726,271**
Total Non-Current Assets	**–**	**5,274,621**	**13,624,502**	**12,723**	**–**	**–**	**18,911,846**
Additions to Non-Current Assets	**–**	**86,342**	**1,095,311**	**–**	**–**	**–**	**1,181,653**
Total Current Assets	**–**	**128,469**	**292,729**	**1,786,982**	**606,245**	**–**	**2,814,425**
Total Liabilities	**–**	**(65,977)**	**(260,023)**	**(893,997)**	**–**	**–**	**(1,219,997)**

	Discontinued Operation Oman Copper	Mozambique Mineral Sands	Portugal Lithium	HQ and corporate	Investments	Elimination	Total
	£	£	£	£	£	£	£
2019							
Revenue[1]	–	67,985	1,433,319[2]	1,011,800	–	(2,513,104)	–
Finance Costs	–	–	(1,528)	–	–	–	(1,528)
Interest Income	–	107	–	25,514	–	–	25,621
Share based payments	–	–	–	(33,170)	–	–	(33,170)
Loss for the year	(227,672)	(514,312)	(1,050,912)	(3,033,141)	(11,516)	1,035,627	(3,801,926)
Loss on disposal of Investments	–	–	–	–	(11,516)	–	(11,516)
Total Assets	5,507,375	5,957,598	12,261,328	3,508,182	36,762	–	27,271,245
Total Non-Current Assets	5,409,757	5,859,794	12,128,265	47,016	–	–	23,444,832
Additions to Non-Current Assets	553,010	1,039,529	3,353,402	(323,137)	–	–	4,622,804
Total Current Assets	97,618	97,804	133,063	3,461,166	36,762	–	3,826,413
Total Liabilities	(115,095)	(40,770)	(317,634)	(479,969)	–	–	(953,468)

[1] Revenues included the intercompany recharges within the Group which are eliminated.

[2] This included in the Portugal Lithium segment include £1,110,830 (2019: £ 1,433,319) relate to intercompany recharges within this segment and therefore eliminated in column Elimination.

3. EMPLOYEES AND DIRECTORS

The average monthly number of employees (including Directors that receive remuneration) during the year was as follows:

	Group		Company	
	2020	2019	**2020**	2019
	No	No	**No**	No
Operational	**34**	42	**1**	1
Non-operational	**19**	22	**6**	7
	53	64	**7**	8

	Group		Company	
	2020	2019	**2020**	2019
Staff Costs (excluding Directors)	**£**	£	**£**	£
Salaries	**1,247,351**	1,790,408	**367,571**	550,421
Bonus	**187,622**[1]	–	**118,800**[1]	–
Social security and other employee expenses	**176,435**	184,706	**60,655**	65,861
Pension	**48,620**	57,404	**48,620**	57,404
Share based payment expense (see Note 23)	**36,159**	25,835	**36,159**	25,835
	1,696,187	2,058,353	**631,805**	699,521

[1] Bonuses unpaid as at 31 December 2020

The Group numbers in the above table includes £472,569 (2019: £779,233) which was capitalised as an intangible asset.

Directors' Remuneration	**2020**	2019
	£	£
Salaries	**478,401**	564,652
Bonus	**287,876**[1]	–
Social security and taxes	**71,432**	73,315
Pension	**45,725**	30,902
Share based payment expense (see Note 23)	**21,190**	7,335
Other	**–**	4,472
	904,624	680,676

[1] Bonuses unpaid as at 31 December 2020

The numbers in the above table include £240,337 (2019: £131,101) of Directors' Remuneration which was capitalised as an intangible asset in relation to the provision of specific technical services.

In 2020 a gross loss (before taxes) of £5,400 on the exercise of share options was attributable to the Directors. The costs related to these exercised share options were charged in the Consolidated Statement of Comprehensive Income when the options were vested in prior years. No share options were exercised during 2019.

The Directors' remuneration is paid by the Company.

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

3. EMPLOYEES AND DIRECTORS continued

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

	Directors' emoluments 2020						Directors' emoluments 2019					
	Salary	Bonus	Pension	Non-cash share options	Other	Total	Salary	Bonus	Pension	Non-cash share options	Other	Total
	£	£	£	£	£	£	£	£	£	£	£	£
Executive Directors												
Dale Ferguson	125,651	94,126[1]	–	21,190	–	240,967	149,652	–	–	7,335		156,987
David Archer	263,500	193,750[1]	45,725	–	–	502,975	310,000	–	30,902	–	4,472	345,374
Non-Executive Directors												
Matthew King	55,250	–	–	–	–	55,250	65,000	–	–	–	–	65,000
James Leahy	34,000	–	–	–	–	34,000	40,000	–	–	–	–	40,000
Maqbool Sultan	–	–	–	–	–	–	–	–	–	–	–	–
Imad Sultan	–	–	–	–	–	–	–	–	–	–	–	–
Manohar Shenoy	–	–	–	–	–	–	–	–	–	–	–	–
Murtadha Sultan	–	–	–	–	–	–	–	–	–	–	–	–
	478,401	287,876[1]	45,725	21,190	–	833,192	564,652	–	30,902	7,335	4,472	607,361

[1] Bonuses unpaid as at 31 December 2020

In response to the coronavirus pandemic, all the Directors (who receive remuneration) volunteered to a temporary salary reduction of 20% effective from March 2020. Salaries were returned to their original levels as and from 31 December 2020. This is the driver of the year over year reduction in the Salary numbers in the above table.

Additionally, the executive Management suggested that bonuses not be considered for the 2019 financial year and the Board reviewed and confirmed this.

The bonus amount payable to the Chief Executive Officer for 2020 financial year related to performance against key, previously agreed objectives. These objectives included corporate and strategic initiatives; Mina do Barroso Project progress; strategic outcomes for Mutamba; capital raising activities; DFS progress for Mina do Barroso; community relations; engagement with debt and equity providers; senior management team development and succession; development of a collaborative, goal oriented, ethical company with harmonious working relationships and personal contribution. Performance against these criteria was assessed by the Remuneration Committee against a maximum potential bonus of 150% of base salary at year end at 62.5% of £310,000.

The amount payable to the Technical Director for 2020 bonus related to performance against key objectives. These objectives included progress on the Mina do Barroso EIA and DFS; commercial development support, special projects and personal commitment. Performance against these criteria was assessed by the Remuneration Committee against a maximum potential bonus of 100% of base salary at year end at 63.75% of AUD 275,004 (£147,824).

In 2019, the Remuneration Committee undertook a review of remuneration packages and developed a new remuneration policy aimed at rewarding performance, encouraging retention of key staff and aligning their interests with those of shareholders. This resulted in a long-term incentive plan ("LTIP") intended to support this policy being implemented in March 2019 which is designed to incentivise the Company's executive Management Team and other key employees. Along with the implementation of the LTIP, the Remuneration Committee has worked on refining the overall remuneration policy and has undertaken benchmarking exercises against external peer groups, sought feedback from institutional shareholders and engaged internationally recognised consulting firm Alvarez and Marsal. This has resulted in a remuneration policy for the executive Directors which combines short term incentives ("STI" – cash bonus which is assessed against key business objectives) and long-term incentives ("LTI" – under the Company's LTIP). The STI is based upon maximum potential bonus of 150% / 100% of base salary for the CEO / Technical Director respectively and is assessed against key business objectives. The LTI element of the remuneration policy is currently being addressed and will be guided by recommendations from Alvarez and Marsal, with related awards under it expected to be issued under the Company's existing LTIP.

3. EMPLOYEES AND DIRECTORS continued

The LTIP was established to encourage long-term value creation for Savannah's shareholders and to align the interests of the participants with shareholders. Awards under the LTIP take the form of options over the Company's ordinary shares of 1 pence each, (the "Options"). The Board believes that the implementation of the LTIP will incentivise the participants and will also help Savannah to attract and retain talented individuals in the future as the Company expedites the development of its mining projects. The LTIP allows for up to 7.5% of the Company's issued share capital to be allocated to employees. The Remuneration Committee adopted a policy whereby up to 5% of the Company's issued share capital should be made available via the LTIP to the executive Management Team only, with the balance being available to other employees. These percentages are reviewed annually by the Company's Remuneration Committee. The LTIP also includes malus and clawback clauses.

The LTIP is a share option scheme of the kind commonly adopted by listed companies and 8,950,000 Options with an exercise price of 10p were issued in March 2019 (Note 23). The exercise price of 10p represented an 87% premium to the closing share price on the preceding business day. No share options were issued in 2020 under the LTIP. The detail of the LTIP share options granted to the Executive Directors in 2019 is as follows:

Executive Directors	Share Options Quantity
Dale Ferguson	3,000,000
David Archer	–
Total	3,000,000

No share options under the LTIP were granted to the Non-Executive Directors.

4. LOSS BEFORE INCOME TAX

The loss before income tax is stated after charging:

	2020	2019
	£	£
Depreciation and amortisation	**44,663**	40,872
Auditors' remuneration:		
– Statutory audit of the Group Financial Statements	**59,970**	43,500
– Non-audit services	**34,968**	33,960
Fees payable to associated firms of the auditor for audit of subsidiaries	**16,009**	25,305
Fees payable to associated firms of the auditor for non-audit services	**8,638**	8,068
Professional fees	**771,712**	1,076,638
Foreign exchange loss / (gain)	**(37,580)**	196,229
Short term lease payments (Note 21)	**72,612**	196,387
Share based payments	**58,979**	33,170

5. INCOME TAX

Analysis of the Tax Charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Factors Affecting the Tax Charge

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

	2020 **£**	2019 £
Loss on ordinary activities before tax	**(8,325,758)**	(3,801,926)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2019: 19%)	**(1,581,894)**	(722,366)
Effects of:		
Expenses not deductible for tax purposes	**1,401,351**	50,059
Different tax rates applied in overseas jurisdictions	**(31,917)**	87,926
Tax losses carried forward	**212,460**	584,381
Total income tax	**–**	–

Deferred Tax

The Group has carried forward losses amounting to £14,884,544 as at 31 December 2020 (2019: £14,110,522[1]). As the timing and extent of taxable profits are uncertain, the deferred tax asset arising on these losses has not been recognised in the Financial Statements. Tax losses related to the subsidiaries in Mozambique can be carried forward for a 5 year period. Tax losses related to the subsidiaries in Portugal can be carried forward for a 14 year period for losses related to the 2016-2019 tax years and for a 12 year period for losses related to the 2020 tax year.

[1] In the previous year the comparative figure was stated as £10,282,984, and following a review has been corrected.

6. LOSS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these Financial Statements. The parent company's Total Comprehensive Loss for the financial year was £4,833,165 (2019: £4,598,068).

7. EARNINGS PER SHARE

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

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

In accordance with IAS 33 as the Group is reporting a loss for both this and the preceding year the Share Options and Investor Warrant are not considered dilutive because the exercise of these would have the effect of reducing the loss per share.

Reconciliations are set out below:

	2020	2019
	£	£
Basic Loss Per Share		
Losses attributable to ordinary shareholders:		
Total loss for the year	**(8,325,758)**	(3,801,926)
Total loss for the year from continuing operations	**(2,924,582)**	(3,574,254)
Total loss for the year from discontinued operations	**(5,401,176)**	(227,672)
Weighted average number of shares	**1,343,743,432**	1,042,871,447
Loss per share – total loss for the year	**(0.0062)**	(0.0036)
Loss per share – total loss for the year from continuing operations	**(0.0022)**	(0.0034)
Loss per share – total loss for the year from discontinued operations	**(0.0040)**	(0.0002)

8. INTANGIBLE ASSETS

	Exploration and Evaluation £
Cost	
At 1 January 2019	17,553,192
Additions	3,894,826
Transfer from Other Intangible Assets	333,353
Foreign exchange movements	(572,971)
At 31 December 2019	21,208,400
Additions	**1,508,794**
Transfer to Assets classified as Held for Sale (Note 24)	**(5,649,981)**
Disposal assets on liquidation	**(140,024)**
Foreign exchange movements	**319,033**
At 31 December 2020	**17,246,222**
Amortisation and impairment	
At 1 January 2019	140,024
Impairment charged in the year	–
At 31 December 2019	**140,024**
Reverse on disposal of assets on liquidation	**(140,024)**
Impairment charged in the year	**5,370,130**
Transfer to Assets classified as Held for Sale (Note 24)	**(5,370,130)**
At 31 December 2020	**–**

8. INTANGIBLE ASSETS continued

	Exploration and Evaluation £
Net Book Value	
At 1 January 2019	17,413,168
At 31 December 2019	21,068,376
At 31 December 2020	**17,246,222**

Included in additions is capitalised Plant and Machinery depreciation amounting to £99,189 (Note 9).

In 2018 the Group started the process of divesting its investment in Finkallio Oy, and at 31 December 2018 the Exploration and Evaluation Assets held by the Company were fully impaired. In 2019 the Group started the process to liquidate Finkallio Oy, which was completed on 4 May 2020.

In 2018 the Board announced that a strategic review was being conducted in respect of the Oman assets to identify the best outcome for Savannah and its shareholders. At 30 June 2020 the progress towards an agreement for sale was substantial with the disposal expected to be completed prior to the end of 2020, and therefore the assets and liabilities of the Omani operations were classified as Held for Sale on that date (Note 24).

The Exploration and Evaluation Assets referred to in the table above comprise expenditure in relation to exploration licences in Portugal, Mozambique and the Discontinued Operation in Oman. The Directors consider that for the purposes of assessing impairment, the above exploration and evaluation expenditure is allocated to the following licence areas.

	2020 £	2019 £
Mozambique Minerals Sands	**3,788,567**	3,874,935
Oman Copper	–	5,258,775
Portugal Lithium	**13,457,655**	11,934,666
	17,246,222	21,068,376

The Directors have reviewed the carrying value of the CGUs and have not identified any indicators of impairment for the assets allocated to the licences in Portugal and Mozambique, and therefore there is no impairment charge in 2020 or 2019 for Portugal and Mozambique. As part of the classification of the Oman assets as Held for Sale on 30 June 2020 an impairment charge of £5,370,130 was recorded (Note 24). The assets in Finland were fully impaired in 2018 and this impairment was reversed on liquidation of Finkallio Oy in 2020. Disposals in 2020 relate to the operations in Oman and Finland. There were no disposals in 2019.

In December 2019 Matilda Minerals Lda was granted with a Mining Concession for the Jangamo deposit – 9735C for a period of 25 years. In December 2019 and January 2020 respectively Rio Tinto through its subsidiary Mutamba Mineral Sands, S.A was granted with Mining Concessions for the Dongane/Ravene deposit – 9229C for a period of 25 years and with a Mining Concession for the Jangamo deposit – 9229C for a period of 25 years. The only outstanding mining concession application is the one related to Chilubane. The application was submitted at the same time as the other applications and feedback received from the Ministry indicates that no objections exists to the application. Some administrative matters need to be attended to in advance of the award but there is no reason for the Management to believe that these will be in any way insurmountable.

9. PROPERTY, PLANT AND EQUIPMENT

	Motor Vehicles £	Office Equipment £	Plant and Machinery £	Land £	Total £
Cost					
At 31 December 2018	151,413	31,198	1,277,514	56,345	1,516,470
Reclassification due to adoption of IFRS 16	(56,096)	–	–	–	(56,096)
At 1 January 2019	95,317	31,198	1,277,514	56,345	1,460,374
Additions	–	13,413	7,883	–	21,296
Foreign exchange movements	(7,415)	(1,585)	(43,641)	(3,013)	(55,654)
At 31 December 2019	87,902	43,026	1,241,756	53,332	1,426,016
Additions	**1,662**	**1,059**	**–**	**–**	**2,721**
Transfer to Assets classified as Held for Sale (Note 24)	**(36,770)**	**(10,293)**	**–**	**–**	**(47,063)**
Foreign exchange movements	**5,432**	**(1,378)**	**(249,869)**	**3,005**	**(242,810)**
At 31 December 2020	**58,226**	**32,414**	**991,887**	**56,337**	**1,138,864**
Depreciation					
At 31 December 2018	55,215	24,187	–	–	79,402
Reclassification due to adoption of IFRS 16	(11,778)	–	–	–	(11,778)
At 1 January 2019	43,437	24,187	–	–	67,624
Charge for year	14,224	11,286	–	–	25,510
Foreign exchange movements	(3,113)	(1,234)	–	–	(4,347)
At 31 December 2019	54,548	34,239	–	–	88,787
Charge for year	**14,399**	**7,908**	**99,189**	**–**	**121,496**
Transfer to Assets classified as Held for Sale (Note 24)	**(36,770)**	**(10,293)**	**–**	**–**	**(47,063)**
Foreign exchange movements	**3,691**	**(1,575)**	**–**	**–**	**2,116**
At 31 December 2020	**35,868**	**30,279**	**99,189**	**–**	**165,336**
Net Book Value					
At 31 December 2018	96,198	7,011	1,277,514	56,345	1,437,068
At 1 January 2019	51,880	7,011	1,277,514	56,345	1,392,750
At 1 January 2020	33,354	8,787	1,241,756	53,332	1,337,229
At 31 December 2020	**22,358**	**2,135**	**892,698**	**56,337**	**973,528**

Plant and Machinery comprises of the pilot plant located in Mozambique. This was not depreciated during 2019 because it was not fully commissioned and the Group was awaiting for the mining licence where the pilot plant is located to be granted to have the right to operate the pilot plant. In January 2020 the mining licence where the pilot plant is located was granted and Management considered this as a trigger event to start depreciating the pilot plant for a period of 10 years over the useful life of this kind of plant.

9. PROPERTY, PLANT AND EQUIPMENT continued

The above Property, Plant and Equipment is allocated to the following licence areas, representing the Group's Cash Generating Units ("CGUs"):

	2020	2019
	£	£
Mozambique Minerals Sands	**892,695**	1,246,659
Portugal Lithium	**80,833**	90,570
	973,528	1,337,229

Management has evaluated the existence of impairment indicators of the Property, Plant and Equipment allocated to the licence areas together with the impairment review performed for the Exploration and Evaluation Assets, and it has concluded that there are no indicators of impairment.

10. INVESTMENT IN SUBSIDIARIES

Company

	Investment in subsidiaries £
Non-Current	
At 1 January 2019	458,667
Additions	102,973
Transfer from Other Intangible Assets	333,353
At 31 December 2019	894,993
Additions	**3,776,651**
Disposals	**(4,050,062)**
At 31 December 2020	**621,582**

In October 2020 the Group disposed Savannah Resources BV ("SRBV") and its subsidiaries as part of the sale of the Omani operations (Note 24). Before the disposal the Company increased its investment in SRBV through the conversion of loans amounting to EUR 4,140,388 (~GBP 3,740,471) into Share Premium. On disposal this investment was impaired.

In June 2019 the Group acquired the 25% minority interest of Savannah Lithium Lda ("SL") (formerly Slipstream Resources Portugal Lda) (Note 20), increasing its interest in the entity to 100%. The Group issued 163,000,000 ordinary shares in the Company (~GBP £8,313,000) as consideration for the additional 25% in SL. SL is a Portuguese entity which is the holder of a series of highly prospective lithium projects with near-term production potential in the north of Portugal.

In November 2018 the Group incorporated a new subsidiary Savannah Advisory Services Ltd, to deal with the Group's service contracts. The Company is a wholly-owned subsidiary of Savannah Resources Plc ("SAV").

10. INVESTMENT IN SUBSIDIARIES continued

In October 2016 SAV, through its subsidiary AME East Africa Limited ("AME"), entered into a Consortium Agreement ("CA") with Rio Tinto Mining and Exploration Limited ("Rio Tinto") whereby both parties would combine their respective projects in Mozambique to form an unincorporated consortium. On signing of this CA, AME owned 10% of the combined Mutamba Project and Rio Tinto owned the remaining 90%. After delivery of Scoping Study in May 2017, AME's interest in the Mutamba Consortium increased to 20%. AME can earn into up to 51% in the Project by achieving prescribed milestones. Based on the terms of the CA, both AME and Rio Tinto have joint control, and therefore this is a joint arrangement under IFRS. Further information about the CA is included in Note 12.

In 2018 the Group started the process of divesting its investment in Finkallio Oy, and at 31 December 2018 the Exploration and Evaluation Assets held on the Company were fully impaired. In 2019 the Group started the process to liquidate Finkallio Oy, which was completed in 2020.

The Company had the following subsidiary undertakings, either directly or indirectly, at 31 December 2020, which have been included in the Consolidated Financial Statements:

Subsidiary	Registered office	Nature of business	Class of share	% Holding
Savannah Advisory Services Limited[1]	United Kingdom[5]	Holding Company	Ordinary	100%
AME East Africa Limited[1]	United Kingdom[5]	Holding Company	Ordinary	100%
Matilda Minerals Limitada[3]	Mozambique[6]	Mining & exploration	Ordinary	100%
Panda Recursos Limitada[2]	Mozambique[7]	Mining & exploration	Ordinary	99.99%
African Mining & Exploration Limited[1]	United Kingdom[5]	Dormant	Ordinary	100%
Savannah Resources Portugal B.V[1]	Netherlands[8]	Holding Company	Ordinary	100%
AME Portugal Pty Ltd[2]	Australia[9]	Holding Company	Ordinary	100%
Slipstream PORT Pty Ltd[2]	Australia[9]	Holding Company	Ordinary	100%
Savannah Lithium Unipessoal Limitada[2,4]	Portugal[10]	Mining & exploration	Ordinary	100%
Savannah Resources Lithium B.V[1]	Netherlands[8]	Holding Company	Ordinary	100%
Savana Matinal – Mining, Unipessoal Limitada[2]	Portugal[10]	Mining & exploration	Ordinary	100%

[1] Directly held by Savannah Resources Plc

[2] Indirectly held by Savannah Resources Plc

[3] 99.99% Indirectly held by AME East Africa Limited and 0.01% Directly held by Savannah Resources Plc.

[4] Formerly Slipstream Resources Portugal Limitada

[5] Salisbury House, London Wall, London, EC2M 5PS, United Kingdom

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

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

[8] Herikerbergweg 88,1101 CM, Amsterdam, The Netherlands

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

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

10. INVESTMENT IN SUBSIDIARIES continued

The Company disposed during 2020 the following entities:

Subsidiary	Registered office	Nature of business	Class of share	% Holding
Savannah Resources B.V.[1]	The Netherlands	Holding Company	Ordinary	100%
Gentor Resources Limited[1]	British Virgin Is.	Holding Company	Ordinary	100%
Sohar Mining L.L.C[1]	Oman	Dormant	Ordinary	70%
Finkallio Oy[2]	Finland	Mining & exploration	Ordinary	100%
Joint Operations				
Al Fairuz Mining L.L.C.[1]	Oman	Mining & exploration	Ordinary	65%
Al Thuraya Mining L.L.C.[1]	Oman	Mining & exploration	Ordinary	51%

[1] Disposed as part of the sale of the Omani operations (Note 24)
[2] Liquidated in May 2020

11. EQUITY INSTRUMENTS AT FVTOCI

Group

	Shares in Investments at FVTOCI £
At 1 January 2019	18,007
Additions at cost	28,371
Disposals	(12,112)
Change in market value of investment	2,496
At 31 December 2019	36,762
Additions at cost	**252,604**
Disposals	**(3,272)**
Change in market value of investment	**320,151**
At 31 December 2020	**606,245**

Company

	Shares in Investments at FVTOCI £
At 1 January 2019	17,225
Additions at cost	26,326
Disposals	(12,112)
Change in market value of investment	2,496
At 31 December 2019	33,935
Additions at cost	**250,050**
Change in market value of investment	**320,151**
At 31 December 2020	**604,136**

11. EQUITY INSTRUMENTS AT FVTOCI continued

Equity Investments are designated as Fair Value Through Other Comprehensive Income (FVTOCI).

In 2020 the Company received 46 million shares (net of costs) in Force Commodities Limited, a listed company on the Australian Stock Exchange (AXS), as part of the consideration for the disposal of the Omani operations in October 2020 (Note 24). The fair value of these shares is the quoted value at the reporting date, being the fair value hierarchy level 1.

In 2019 the Company acquired 25 million shares in a listed company. The fair value of these shares is the quoted value at the reporting date, being the fair value hierarchy level 1.

In January 2018 as part of the agreement with its partners in Al Fairuz Mining Company LLC the Company issued 1,000,000 ordinary shares in the Company and received 312,500 shares in a listed company. In 2019 the Company disposed these 312,500 shares in the listed company, with a loss on disposal of £11,516. At 31 December 2019 and 2020 the Company does not hold any other shares in this company.

The fair value of the rest of shares held by the Company is the quoted value at the reporting date. The fair value hierarchy in 2020 and 2019 for these shares is level 1 as the valuation is based wholly on quoted prices.

12. JOINT ARRANGEMENTS

Unincorporated consortium Mutamba Project

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

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

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

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

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

The Consortium is managed by a Consortium committee with two representatives from each party, and chaired by an AME representative. AME is the operator of the Project, and it is responsible for preparing and implementing the work programme and budget approved by the Consortium committee. Based on the terms of the agreement both AME and Rio Tinto have joint control, and therefore this is a joint arrangement under IFRS 11 Joint Arrangements.

The Consortium is currently unincorporated, and each party have rights to the assets, and obligations to the liabilities, relating to the arrangement, therefore it is considered a Joint Operation. AME is responsible for all funding related to the combined Project up until the delivery of a Feasibility Study. Since the execution of the Consortium Agreement in 2016 the Group has capitalised £2,888,555 (2019: £2,658,984) in Exploration and Evaluation Assets and £1,133,567 (2019: £1,133,567) in Property, Plant and Equipment, relating to the combined project.

12. JOINT ARRANGEMENTS continued

Shareholders' agreement for Al Fairuz Mining L.L.C.

In October 2020 Savannah disposed Savannah Resources BV and its subsidiaries and ceased to be party of the shareholders' agreement for Al Fairuz Mining LLC.

Earn-in agreement for Al Thuraya Mining L.L.C.

In October 2020 Savannah disposed Savannah Resources BV and its subsidiaries and ceased to be party of the Earn-in agreement for Al Thuraya Mining LLC.

13. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2020	2019	**2020**	2019
	£	£	**£**	£
Non-Current:				
Amounts due from Subsidiaries	**–**	–	**32,995,016**	33,265,297
Total Non-Current Trade and Other Receivables	**–**	–	**32,995,016**	33,265,297
Current:				
VAT Recoverable	**98,852**	165,120	**–**	–
Other Receivables	**95,449**	120,579	**47,908**	70,338
Total Current Trade and Other Receivables	**194,301**	285,699	**47,908**	70,338

The carrying value of trade and other receivables classified at amortised cost approximates fair value.

The Group and the Company applies the expected credit loss model to measure expected credit losses for amounts due from subsidiaries and amounts due from third parties. The Group and the Company considered the probability of a default. The loans to subsidiaries are interest free and are repayable on demand.

The Company expects that the carrying value of the intercompany loans receivable may not be fully recoverable as the subsidiaries may not generate sufficient future profits to settle the amounts owing and accordingly, these amounts have been partially impaired. Repayment of the intercompany loans is subject to the Directors' assessment of the Group's requirements and availability of appropriate liquid resources. Among other things, the Company's expected credit loss model includes consideration of various risks affecting the success of underlying projects of its subsidiaries. When determining the expected credit losses Management has taken into account that the intercompany loans are related to projects that are in the exploration stage. Management has concluded that the success of the projects is the most important factor that will drive credit losses. This will be affected by the results in mineral resources, the commodity prices, the capability of the Parent company to obtain funds to develop the projects and the success in obtaining or renewing exploration and mining licences. Several scenarios and their likelihood have been considered to calculate the expected cash flows for the loans associated to each project and the expected credit losses as at the reporting date. In the current period the Company estimates that a reverse in expected credit loss calculated of £0.4m (2019: loss of £1m) arises on the receivables from the subsidiaries, decreasing the £2.9m expected credit loss relating to prior periods.

The Group has a receivable from Gentor Resources Limited, which is part of the Force Group. As detailed in note 24, this represents contingent consideration and has been valued at £nil.

13. TRADE AND OTHER RECEIVABLES continued

Movements in the impairment allowance for the year ended 31 December 2020 is as follows:

Company

	Impairment from Subsidiaries £
At 1 January 2019	1,882,244
Charged during the year	1,035,627
At 1 January 2020	2,917,871
Reversed during the year	**(404,684)**
Reversal of loan written-off on disposal of discontinued operations	**(1,749,148)**
Reversed on liquidation of subsidiary	**(168,884)**
At 31 December 2020	**595,155**

The reversal of loan written-off on disposal of discontinued operations is related to the impairment registered in prior years on the Omani project intercompany loans.

The breakdown of the Amounts due from Subsidiaries as at 31 December 2020 is as follows:

	Company	
	2020 £	2019 £
Amounts due from Subsidiaries:		
Outstanding amount	**33,590,171**	36,183,168
Impairment	**(595,155)**	(2,917,871)
	32,995,016	33,265,297

14. CASH AND CASH EQUIVALENTS

	Group		**Company**	
	2020 £	2019 £	**2020 £**	2019 £
Cash at Bank and in Hand	**2,000,209**	3,484,781	**1,237,876**	3,277,943

15. OTHER CURRENT AND NON-CURRENT ASSETS

	Group		Company	
	2020	2019	**2020**	2019
	£	£	**£**	£
Non-Current:				
Guarantees	**65,592**	205,052	**–**	–
Bank Deposits	**590,175**	742,363	**–**	–
Other	**7,938**	43,223	**6,776**	41,068
Total Other Non-Current Assets	**663,705**	990,638	**6,776**	41,068
Current:				
Other	**13,670**	19,171	**–**	–
Total Other Current Assets	**13,670**	19,171	**–**	–

The Non-Current Assets - Guarantees are deposits required by the local mining / environmental authorities in relation to exploration / mining licences and applications thereof.

Non-Current Assets – Bank Deposits for £590,175 (2019: £742,363) is a bank deposit with maturity lower than 3 months as of the signing date but with the obligation to be renewed on the termination date and therefore has been classified as Non-Current Assets. This cash is associated to the bank guarantee necessary for the grant of mining licences in Mozambique and is restricted cash until the end of the bank guarantee in 2023 (Note 22).

16. SHARE CAPITAL

	2020		2019	
Allotted, issued and fully paid	**£0.01 ordinary shares number**	**£**	£0.01 ordinary shares number	£
At beginning of year	**1,297,459,820**	**12,974,598**	881,451,795	8,814,518
Issued during year:				
Share placements	**130,011,270[1]**	**1,300,113**	250,000,000[1]	2,500,000
Exercise of share options	**1,500,000[2]**	**15,000**	–	–
In lieu of cash for professional services	**2,019,945[3]**	**20,199**	–	–
In lieu of cash for acquisition of minority interest	**–**	**–**	163,000,000	1,630,000
Settlement of deferred consideration Oman	**–**	**–**	3,008,025	30,080
At end of year	**1,430,991,035**	**14,309,910**	1,297,459,820	12,974,598

[1] In respect of the Share placements in 2020 the net proceeds were £2,220,650 (2019: £4,826,400) of which £920,537 (2019: £2,326,400) has been recorded in Share Premium. The gross proceeds were £2,340,203 (2019: £5,000,000).

[2] Refer to Note 23 for details of exercise of share options. £26,400 has been recorded in Share Premium.

[3] In respect of shares issued in lieu of cash for payment of professional fees. £16,160 has been recorded in Share Premium.

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

17. TRADE AND OTHER PAYABLES

	Group		Company	
	2020	2019	**2020**	2019
	£	£	**£**	£
Current:				
Trade Payables	**357,247**	436,459	**178,901**	199,815
Other Payables	**136,935**	96,493	**110,841**	60,205
Accruals	**713,077**	389,467	**534,765**	124,690
Amounts owing to Subsidiaries	**–**	–	**–**	34,300
Total Current Trade and Other Payables	**1,207,259**	922,419	**824,507**	419,010

In 2020 accruals represent mainly bonuses to be paid to employees and professional fees in the Group for which invoices have not been received at the reporting date. In 2019 accruals represent mainly professional fees in the Group for which invoices have not been received at the reporting date

Part of Trade and other payables amounts relate to work performed in the projects which balances are capitalised and therefore these are included in Investing not operating cash flows.

18. FINANCIAL INSTRUMENTS

Financial Instruments - Risk Management

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

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

Principal Financial Instruments

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

- Intercompany Loan Receivables
- Trade and Other Receivables
- Cash and Cash Equivalents
- Trade and Other Payables
- Loans and Borrowings
- Leases Liabilities
- Investments
- Other Non-Current Assets – Guarantees

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

18. FINANCIAL INSTRUMENTS continued

Liquidity Risk

At the reporting date the Group's cash balance was £2m (2019: £3.5m). This, in conjunction with the raising of future cash through different options, which the Directors believe can be secured, will allow the Group to continue working on its development / exploration activities and to meet its financial commitments for at least 12 months. In common with many non-revenue generating companies, the Company routinely raises funds for its development activities. The Group's policy continues to be to ensure that it has adequate liquidity by careful management of its working capital.

Foreign Exchange Risk

The Group is exposed through its operations to foreign exchange risk which arises because the Group has overseas operations located in Mozambique whose functional currency is MZN, in Oman during 2019 whose functional currency is OMR which is pegged to the USD at a rate of 1 OMR to 2.6 USD and in Portugal whose functional currency is Euro.

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

Market Risk

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

The effect of a 10% increase in the value of the equity investments held at the reporting date would, all other variables held constant, have resulted in an increase in other comprehensive income and net assets of £60,414 (2019: increase in other comprehensive income and net assets of £3,393). A 10% decrease in their value would, on the same basis, have decreased other comprehensive income and net assets by the same amount.

Credit Risk

The Group and the Company are exposed to credit risk on its receivables from its subsidiaries and third parties. The subsidiaries are exploration and development companies with no current revenue and therefore, whilst the receivables are due on demand, they are not expected to be paid until there is a successful outcome on a development project resulting in revenue being generated by a subsidiary. The third-party receivable is due when its related mining project generate positive cash flow, the project is the exploration phase and the Group has calculated the expected credit loss from these receivables (Note 13).

The Group is exposed to credit risk in cash and cash equivalents and deposits with banks and financial institutions. Only reputable banks and financial institutions which are rated by recognised rating agencies are accepted by the Company in the UK. The Group policy is to maintain the majority cash and cash equivalents within the Company in the UK and funds are remitted to other group entities on a monthly basis to settle liabilities as they fall due, to avoid credit risk associated to foreign jurisdictions banks. The Group policy is also to operate at least with two banks in each country when possible.

18. FINANCIAL INSTRUMENTS continued

Financial instruments by category (Group)

Financial Assets

	Amortised Cost £	Fair Value Through Other Comprehensive Income £	Total £
As at 31 December 2020			
Investments	**–**	**606,245**	**606,245**
Other Non-Current Assets	**73,530**	**–**	**73,530**
Cash Deposits	**590,175**	**–**	**590,175**
Other Current Assets	**13,670**	**–**	**13,670**
Cash and Cash Equivalents	**2,000,209**	**–**	**2,000,209**
Total Financial Assets	**2,677,584**	**606,245**	**3,283,829**
As at 31 December 2019			
Investments	–	36,762	36,762
Other Non-Current Assets	248,275	–	248,275
Cash Deposits	742,363	–	742,363
Other Current Assets	19,171	–	19,171
Cash and Cash Equivalents	3,484,781	–	3,484,781
Total Financial Assets	4,494,590	36,762	4,531,352

See review of the fair value hierarchy of fair value through other comprehensive income assets in Note 11.

Financial Liabilities

	Financial Liabilities at Amortised Cost £	Total £
As at 31 December 2020		
Trade and Other Payables	**1,207,259**	**1,207,259**
Lease Liabilities	**12,738**	**12,738**
Total Financial Liabilities	**1,219,997**	**1,219,997**
As at 31 December 2019		
Trade and Other Payables	922,417	922,417
Lease Liabilities	31,049	31,049
Total Financial Liabilities	953,466	953,466

18. FINANCIAL INSTRUMENTS continued

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

	Functional Currency of Entity							
	GBP 2020 £	**MZN 2020 £**	**EUR 2020 £**	**Total 2020 £**	GBP 2019 £	MZN 2019 £	EUR 2019 £	Total 2019 £
Foreign currency financial assets								
USD	**99,575**	**26,865**	**22,184**	**148,624**	481,830	31,466	14,440	527,736
EUR	**423,988**	**–**	**–**	**423,988**	1,702,214	–	–	1,702,214
AUD	**874,112**	**–**	**5,523**	**879,635**	585,224	–	5,202	590,426
OMR	**8,558**	**–**	**–**	**8,558**	–	–	–	–
GBP	**–**	**–**	**821**	**821**	–	–	668	668
Total	**1,406,233**	**26,865**	**28,528**	**1,461,626**	2,769,268	31,466	20,310	2,821,044

	Functional Currency of Entity			
	GBP 2020 £	**Total 2020 £**	GBP 2019 £	Total 2019 £
Foreign currency financial liabilities				
USD	**29,699**	**29,699**	58,144	58,144
AUD	**173,072**	**173,072**	114,124	114,124
EUR	**16,429**	**16,429**	34,118	34,118
OMR	**6,900**	**6,900**	10,270	10,270
Total	**226,100**	**226,100**	216,656	216,656

The effect of a 10% strengthening of the USD against GBP at the reporting date on the USD denominated Cash and Cash Equivalents carried at that date would, all other variables held constant, have resulted in a decrease in pre-tax loss for the year and increase of net assets of GBP £16,300 (2019: £58,637). A 10% weakening in the exchange rate would, on the same basis, have increased pre-tax loss and decreased net assets by GBP £13,336 (2019: £47,976).

The effect of a 10% strengthening of the EUR against GBP at the reporting date on the EUR denominated Cash and Cash Equivalents carried at that date would, all other variables held constant, have resulted in a decrease in pre-tax loss for the year and increase of net assets of GBP £46,511 (2019: £189,135). A 10% weakening in the exchange rate would, on the same basis, have increased pre-tax loss and decreased net assets by GBP £38,054 (2019: £154,747).

The effect of a 10% strengthening of the AUD against GBP at the reporting date on the AUD denominated Cash and Cash Equivalents carried at that date would, all other variables held constant, have resulted in a decrease in pre-tax loss for the year and increase of net assets of GBP £30,611 (2019: £65,603). A 10% weakening in the exchange rate would, on the same basis, have increased pre-tax loss and decreased net assets by GBP £25,045 (2019: £53,675).

18. FINANCIAL INSTRUMENTS continued

Financial instruments by category (Company)

Financial Assets

	Amortised Cost £	Fair Value Through Other Comprehensive Income £	Total £
As at 31 December 2020			
Other Receivables	**32,995,016**	**–**	**32,995,016**
Other Non-Current Assets	**6,776**	**–**	**6,776**
Investments	**–**	**604,136**	**604,136**
Trade and Other Receivables	**47,908**	**–**	**47,908**
Cash and Cash Equivalents	**1,237,876**	**–**	**1,237,876**
Total Financial Assets	**34,287,576**	**604,136**	**34,891,712**
As at 31 December 2019			
Other Receivables	33,265,297	–	33,265,297
Other Non-Current Assets	41,068	–	41,068
Investments	–	33,935	33,935
Trade and Other Receivables	70,338	–	70,338
Cash and Cash Equivalents	3,277,943	–	3,277,943
Total Financial Assets	36,654,646	33,935	36,688,581

See review of the fair value hierarchy of fair value through other comprehensive income assets in Note 11.

Financial liabilities

	Financial Liabilities at Amortised Cost £	Total £
As at 31 December 2020		
Trade and Other Payables	**824,507**	**824,507**
Total Financial Liabilities	**824,507**	**824,507**
As at 31 December 2019		
Trade and Other Payables	419,010	419,010
Total Financial Liabilities	419,010	419,010

18. FINANCIAL INSTRUMENTS continued

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

	Functional Currency of Entity			
	GBP	**Total**	GBP	Total
	2020	**2020**	2019	2019
	£	**£**	£	£
Foreign currency financial assets				
USD	**3,939,068**	**3,939,068**	6,732,424	6,732,424
EUR	**23,324,327**	**23,324,327**	22,432,437	22,432,437
AUD	**808,618**	**808,618**	585,224	585,224
OMR	**8,558**	**8,558**	16,738	16,738
Total	**28,080,571**	**28,080,571**	29,766,823	29,766,823

	Functional Currency of Entity			
	GBP	**Total**	GBP	Total
	2020	**2020**	2019	2019
	£	**£**	£	£
Foreign currency financial liabilities				
USD	**–**	**–**	39,432	39,432
AUD	**104,001**	**104,001**	18,061	18,061
EUR	**2,155**	**2,155**	30,516	30,516
OMR	**6,900**	**6,900**	10,270	10,270
Total	**113,056**	**113,056**	98,279	98,279

Capital Disclosures

The Group's objectives when maintaining capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may issue new shares or seek other financial structures such as debt (project finance), royalties, streaming, mezzanine finance, or combinations thereof.

19. GROUP CONTINGENT LIABILITIES

Details of contingent liabilities where the probability of future payments is not considered remote are set out below, as well as details of contingent liabilities, which although considered remote, the Directors consider should be disclosed. The Directors are of the opinion that provisions are not required in respect of these matters, as at the reporting date it is not probable that a future sacrifice of economic benefits will be required and the amount is not capable of reliable measurement.

Consideration payable in relation to the acquisition of the Aldeia Mining Lease Application for lithium, feldspar and quartz (Portugal lithium project)

In June 2019 the Company exercised its option to acquire a Mining Lease Application for lithium, feldspar and quartz from private Portuguese company, Aldeia & Irmão, S.A.. The total purchase price for the acquisition is EUR €3,250,000 (~ GBP £2,920,000), which will only become due once the Mining Lease Application has been granted and the Mining Rights transferred to an entity within the Group, at which point the agreed payment schedule will consist of an initial EUR €55,000 (~ GBP £49,000) payment with the balance due in 71 equal monthly instalments. Upon delivery of the request for transfer of the Mining Rights to an entity within the Group, the Group shall provide with a bank guarantee of EUR €3,195,000 (~ GBP £2,870,000) that will be reduced in accordance with the 71 monthly instalments. As at 31 December 2020 the mining lease has not been granted.

20. RELATED PARTY DISCLOSURES

Details of Directors' remuneration are disclosed in Note 3. During the year £204,735 (2019: £131,693) was payable to Blue Bone Consulting Pty Ltd (a company controlled by Dale Ferguson) for consultancy fees of which £103,170 (including bonus) (2019: £10,727) remained unpaid. The amounts payable to Blue Bone Consulting Pty Ltd have been included in the Directors' remuneration in Note 3.

Dale Ferguson is also a Director and minority shareholder of Slipstream Resources Investments Pty Ltd (one of the Vendors of Savannah Lithium Lda). As such, he was excluded from any of the Group's commercial negotiations with the Vendors and was precluded from voting on board matters related to the acquisition of the 25% in Savannah Lithium Lda. Dale Ferguson indirectly received 33,618,750 ordinary shares in Savannah Resources plc as consideration for the Transaction in 2019.

21. LEASES

Right-of-Use Assets

	Vehicles £
Cost	
At 1 January 2019	56,096
Additions	8,829
At 31 December 2019	64,925
Additions	–
Foreign exchange movements	**3,658**
At 31 December 2020	**68,583**
Depreciation	
At 1 January 2019	11,778
Charge for year	15,362
At 31 December 2019	27,140
Charge for year	**18,008**
Foreign exchange movements	**1,726**
At 31 December 2020	**46,874**
Net Book Value	
At 1 January 2019	44,318
At 31 December 2019	37,785
At 31 December 2020	**21,709**

Lease Liabilities

	Vehicles £
At 1 January 2019	42,708
Additions	8,829
Lease payments	(18,204)
Foreign exchange movements	(2,284)
At 31 December 2019	31,049
Additions	**–**
Lease payments	**(19,843)**
Foreign exchange movements	**1,532**
At 31 December 2020	**12,738**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2020

21. LEASES continued

	2020	2019
	£	£
Current Liabilities	**11,608**	18,990
Non-Current Liabilities	**1,130**	12,059
Total lease liabilities	**12,738**	31,049

The right-of-use assets and related lease liabilities are for the lease of motor vehicles. Total 2020 cash flow outflow amount is £19,075 (2019: £19,732).

Other Leases

The Group has registered £72,612 (2019: £192,219) in the Statement of Comprehensive Income related to short-term leases. Short-term leases meet the requirements to not be accounted for by recognising a right-of-use asset and a lease liability, having a duration of 12 months or less and without reasonable certainty about their renewal.

At 31 December 2020 the Other Lease commitments for the next 12 months is £13,024 (2019: £90,449).

These leases are for business premises in Mozambique, Portugal and the UK.

22. GROUP COMMITMENTS

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

As a condition of being granted with mining licence 9735C in Mozambique the Group, through Matilda Minerals Lda, signed a bank guarantee of MZN 60,143,680 (~GBP £590,175) to be assigned to the Ministério Dos Recursos Minerais e Energia (Ministry of Natural Resources and Energy). The guarantee is valid until the 28 November 2023 and Matilda Minerals Lda is obligated to maintain funds for the same amount as the guarantee in a bank account. These funds can be transferred to bank deposits, and currently are held in a 3 months bank deposit (Note 15).

23. SHARE OPTIONS AND INVESTOR WARRANTS

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

		2020			2019	
	Number	**Weighted average exercise price**	**Weighted remaining life**	Number	Weighted average exercise price	Weighted remaining life
Share Options						
Opening Balance	**24,750,000**	**8.0p**	**2.21**	18,800,000	7.2p	1.78
Granted	**–**	**–**	**–**	8,950,000	10.0p	4.20
Lapsed	**(3,100,000)**	**7.4p**	**–**	(3,000,000)	8.8p	–
Exercised	**(1,500,000)**	**2.8p**	**–**	–	–	–
Closing Balance	**20,150,000**	**8.5p**	**1.41**	24,750,000	8.0p	2.21

23. SHARE OPTIONS AND INVESTOR WARRANTS continued

	2020			2019		
	Number	**Weighted average exercise price**	**Weighted remaining life**	Number	Weighted average exercise price	Weighted remaining life
Investor Warrants						
Opening Balance	**48,713,979**	**6.1p**	**0.74**	50,124,428	6.1p	1.71
Granted	**–**	**–**	**–**	–	–	–
Lapsed	**(48,370,547)**	**6.0p**	**–**	(1,410,449)	5.0p	–
Exercised	**–**	**–**	**–**	–	–	–
Closing Balance	**343,432**	**11.3p**	**0.62**	48,713,979	6.1p	0.74

Share schemes outstanding as at 31 December 2020 are as follows:

	Outstanding 31 December 2020	**Exercisable 31 December 2020**	Outstanding 31 December 2019	Exercisable 31 December 2019	**Exercise Price**	**Expiry Date**
Share Options						
March 2016	**–**	**–**	2,100,000	2,100,000	**2.8p**	**16/03/20**
December 2016	**–**	**–**	1,500,000	1,500,000	**7.6p**	**21/12/20**
March 2017	**10,700,000**	**10,700,000**	10,700,000	10,700,000	**7.6p**	**28/02/21**
August 2017	**500,000**	**500,000**	500,000	500,000	**6.2p**	**17/08/21**
January 2018	**1,000,000**	**1,000,000**	1,000,000	500,000	**8.0p**	**25/01/22**
March 2019	**7,950,000**	**–**	8,950,000	–	**10.0p**	**11/03/24**
	20,150,000	**12,200,000**	24,750,000	15,300,000		
Investor Warrants						
March 2017	**–**	**–**	1,480,952	1,480,952	**7.4p**	**07/03/20**
July 2017	**–**	**–**	11,165,477	11,165,477	**6.0p**	**14/07/20**
October 2017	**–**	**–**	35,724,118	35,724,118	**6.0p**	**25/10/20**
August 2018	**343,432**	**343,432**	343,432	343,432	**11.3p**	**13/08/21**
	343,432	**343,432**	48,713,979	48,713,979		

All of the Share Options granted attract a share based payment charge.

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

23. SHARE OPTIONS AND INVESTOR WARRANTS continued

The Directors' interests in the Share Options and Investor Warrants of the Company are as follows:

At 31 December 2020

	Options/ Warrants at 1 Jan 2020	Quantity granted during the year	Exercised during the year	Lapsed during the year	Options/ Warrants at 31 Dec 2020	Exercise price	Date of the grant	First date of exercise	Final date of exercise
Share Options									
Matthew King	**1,500,000**	**–**	**(1,500,000)**	**–**	**–**	**2.76p**	**16/03/16**	**16/03/16**	**15/03/20**
Dale Ferguson	**2,000,000**	**–**	**–**	**–**	**2,000,000**[3]	**7.59p**	**01/03/17**	**01/03/17**	**28/02/21**
David Archer	**7,000,000**	**–**	**–**	**–**	**7,000,000**[3]	**7.59p**	**01/03/17**	**01/03/17**	**28/02/21**
Dale Ferguson	**3,000,000**	**–**	**–**	**–**	**3,000,000**	**10.0p**	**11/03/19**	**11/03/22**	**11/03/24**
Investor Warrants									
David Archer	**2,857,143**	**–**	**–**	**(2,857,143)**	**–**	**6.0p**	**14/07/17**	**14/07/17**	**14/07/20**
Al Marjan Ltd[1]	**4,952,381**	**–**	**–**	**(4,952,381)**	**–**	**6.0p**	**14/07/17**	**14/07/17**	**14/07/20**
Manohar Shenoy[2]	**1,904,762**	**–**	**–**	**(1,904,762)**	**–**	**6.0p**	**14/07/17**	**14/07/17**	**14/07/20**

[1] Two Directors are representatives of Al Marjan Ltd

[2] Alternate Director

[3] Share options were not exercised and these lapsed on 28 February 2021

At 31 December 2019

	Options/ Warrants at 1 Jan 2019	Quantity granted during the year	Exercised during the year	Options/ Warrants at 31 Dec 2019	Exercise price	Date of the grant	First date of exercise	Final date of exercise
Share Options								
Matthew King	1,500,000	–	–	1,500,000	2.76p	16/03/16	16/03/16	15/03/20
Dale Ferguson	2,000,000	–	–	2,000,000	7.59p	01/03/17	01/03/17	28/02/21
David Archer	7,000,000	–	–	7,000,000	7.59p	01/03/17	01/03/17	28/02/21
Dale Ferguson	–	3,000,000	–	3,000,000	10.0p	11/03/19	11/03/22	11/03/24
Investor Warrants								
David Archer	2,857,143	–	–	2,857,143	6.0p	14/07/17	14/07/17	14/07/20
Al Marjan Ltd[1]	4,952,381	–	–	4,952,381	6.0p	14/07/17	14/07/17	14/07/20
Manohar Shenoy[2]	1,904,762	–	–	1,904,762	6.0p	14/07/17	14/07/17	14/07/20

[1] Two Directors are representatives of Al Marjan Ltd

[2] Alternate Director

23. SHARE OPTIONS AND INVESTOR WARRANTS continued

The range of inputs of the Share Options granted during 2020 and 2019 were as follows:

Share Options	**March 2019**
Stock price	5.3p
Fair value of option	1.6p
Exercise Price	10.0p
Expected volatility	55%
Expected life	5 years
Risk free rate	0.6%

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

Share Options granted

During the 2019 financial year 8,950,000 Share Options were issued to employees to assist with the recruitment, reward and retention of key employees. These Share Options vest upon the employee meeting service and/or performance conditions. No Share Options were issued in 2020. The detail of the LTIP share options granted to the Directors is disclosed in Note 3.

Investor Warrants issued

No Investor Warrants were issued in 2020 or 2019.

24. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

Assets and liabilities classified as held for sale:

i) General description

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

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

- Consideration and other payments (subject to Settlement of the Transaction):
  - 50,000,000 new ordinary shares to be issued by Force (deemed issue price of 1 cent per Force share) (equivalent to AUD 500,000 (~GBP 280,000))
  - Preferential payment of AUD$3,500,000 (~GBP 1,950,000) in cash of an existing loan to the Company from cash flow generated from production on Block 5
  - Payment of a 1% net smelter royalty on metal sales (the 1% is pertaining to Force's proportional ownership of each project)
- Settlement of the Transaction ("Settlement") is subject to certain conditions being achieved or waived, and notably includes Force undertaking the steps necessary to be re-admitted to trading on the ASX and obtaining certain consents in Oman.

24. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS continued

- At Settlement the Company will transfer 100% ownership of Savannah Resources B.V. which in turn holds the Group's interest in the Projects (being 65% in Block 5 via its shareholding in Al Fairuz Mining LLC and 51% (earning up to 65%) in Block 4 via its shareholding in Al Thuraya Mining LLC).

On 30 October 2020 the conditions for settlement of the transaction were achieved, the transaction was completed, and the Company accounted for the disposal of the Omani operations.

ii) Assets and Liabilities Held for Sale

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

Intangible Assets classified as held for sale during the reporting period were measured at the lower of their carrying amount and fair value less costs to sell. Management concluded that the fair value of the consideration and other payments (detailed above) less costs to sell was lower than the carrying amount and therefore an impairment loss of £5,370,130 was recognised on the date of the transfer. Following the classification as Assets held for sale the movement of the Intangibles Assets was as follows:

	Intangible Assets £
Cost	
At 31 December 2019	–
Transfer from Exploration and Evaluation Assets	**5,649,981**
Additions	**56,906**
Disposal of Discontinued Operations	**(5,473,432)**
Foreign exchange movements	**(233,455)**
At 31 December 2020	**–**
Amortisation and impairment	
At 31 December 2019	–
Transfer from Exploration and Evaluation Assets	**5,370,130**
Impairment charged/(reversed) in the year	**(164,508)**
Disposal of Discontinued Operations	**(5,205,622)**
At 31 December 2020	**–**
Net Book Value	
At 31 December 2019	–
At 31 December 2020	**–**

It was appropriate for the rest of assets and liabilities to be measured at carrying value and therefore no changes were necessary in their valuation at 30 June 2020.

24. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS continued

Discontinued Operations:

In October 2020 the Group completed the disposal of its Omani operations. The Group received as consideration on settlement of the transaction 50,000,000 new ordinary shares in the capital of Force with a deemed issue price of 1 Australian cent per Force share, of which 4,000,000 shares were used to settle some transaction costs, and AUD$50,000 (~GBP27,543) during the exclusivity due diligence period. The fair value of the consideration was calculated based in the quoted value at the shares when Force was re-admitted to trade on the ASX, being the fair value hierarchy level 1. Additionally, the Group received as contingent consideration: a) the preferential payment of AUD$3,500,000 (~GBP 1,950,000) in cash of an existing loan to the Company from cash flow generated from production on Block 5. The Management has calculated the fair value of this loan at the date of settlement of the transaction and has been assigned a nil value. b) the right to a 1% net smelter royalty on metal sales (the 1% is pertaining to Force's proportional ownership of each project). The Management has calculated the fair value of the royalty at the date of settlement of the transaction and has been assigned a nil value.

The post-tax loss from selling Discontinued Operations was determined as follows:

	£
Cash consideration received	**27,543**
Other consideration received	**271,794**
Total consideration received	**299,337**
Cash disposed of	–
Net cash inflow on disposal of Discontinued Operation	**27,543**
Net Assets disposed	
Intangible Assets	**(418,300)**
Other Non-Current Assets	**(1,940)**
Trade and Other Receivables	**(1,900,587)**
Trade and Other Payables	**1,939,215**
Total Net Assets disposed	**(381,612)**
Pre-Tax Loss on disposal of Discontinued Operation	**(82,275)**
Related Tax	–
Post-Tax Loss on disposal of Discontinued Operation	**(82,275)**

The detail of the result of discontinued operations is as follows:

	2020	2019
	£	£
Expenses other than finance costs	**(113,279)**	(227,672)
Impairment of Exploration and Evaluation Assets	**(5,205,622)**	–
Loss from selling Discontinued Operations after tax	**(82,275)**	–
Loss on Discontinued Operations for the year	**(5,401,176)**	(227,672)
Earnings per share from discontinued operations		
Basic and diluted loss per share	**(0.40)**	(0.02)

24. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS continued

The statement of cash flows includes the following amounts relating to discontinued operations:

	2020	2019
	£	£
Operating activities	**(133,263)**	(255,230)
Investing activities	**(144,929)**	(326,757)
Financing activities	**239,068**	497,052
Net cash from discontinued operations	**(39,124)**	(84,935)

25. EVENTS SINCE THE REPORTING DATE

On 12 January 2021 a Heads of Agreement was announced with the major diversified Portuguese energy group, Galp Energia, SGPS, S.A, regarding a proposed strategic investment and alliance in the lithium field around the Mina do Barroso Lithium Project in northern Portugal. 2021's strong lithium market has resulted in the Company receiving increasing interest from groups seeking to strategically undertake investment in the Project or Savannah with or without requiring a spodumene offtake. The interest reflects the increasing appetite for exposure to the lithium value chain within the wider investment community. Amid this backdrop the HoA expired on 31 May 2021 and discussions in relation to a strategic investment and offtake agreement will continue outside of the exclusive terms of the HoA.

On 16 April 2021 the Portuguese environmental regulator, Agência Portuguesa do Ambiente ("APA"), declared the Mina do Barroso Lithium Project Environmental Impact Assessment ("EIA") to be in conformity with its requirements for the content of the EIA. The EIA will now progress to the next stages of the approval process, being a public consultation and a detailed review by APA's Evaluation Committee, which take place simultaneously.

On 21 April 2021 the Company approved a cash placement and subscriptions amounting to £10.3m (before expenses) through the issue of 257,968,785 ordinary shares at an issue price of 4 pence per share.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Savannah Resources Plc ("the Company") will be held at the Company's registered office, Salisbury House, London Wall, London, EC2M 5PS, on 30 June 2021 at 10.00 am for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as ordinary resolutions in the cases of resolutions 1-5 and as special resolutions in the case of resolution 6.

ORDINARY BUSINESS

1 To receive the report of the Directors and the audited Financial Statements of the Company for the year ended 31 December 2020.

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

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

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

ORDINARY RESOLUTION

5 That in substitution for all existing and unexercised authorities, the Directors of the Company be and they are hereby generally and unconditionally authorised for the purpose of section 551 of the Companies Act 2006 ("the Act") to exercise all or any of the powers of the Company to allot equity securities (within the meaning of Section 560 of the Act) up to a maximum nominal amount of £6,770,000 provided that this authority shall, unless previously revoked or varied by the Company in general meeting, expire on the earlier of the conclusion of the next Annual General Meeting of the Company or 15 months after the passing of this Resolution, unless renewed or extended prior to such time except that the Directors of the Company may before the expiry of such period make an offer or agreement which would or might require equity securities to be allotted after the expiry of such period and the Directors of the Company may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

SPECIAL RESOLUTION

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

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

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

NOTICE OF ANNUAL GENERAL MEETING

(c) the grant of a right to subscribe for, or to convert any equity securities into Ordinary Shares otherwise than under sub-paragraph (a) above, up to a maximum aggregate nominal amount of £1,190,000; and

(d) to the allotment (otherwise than pursuant to sub-paragraphs (a), (b) and (c) above) of equity securities up to an aggregate nominal amount of £5,070,000 (approximately 30% of the Company's issued share capital) in respect of any other issues for cash consideration;

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

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

A form of proxy is provided.

This may be emailed to voting@shareregistrars.uk.com or sent by mail to:

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

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

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

1 June 2021

Registered in England and Wales Number: 07307107

NOTICE OF ANNUAL GENERAL MEETING

Notes to the Notice of Annual General Meeting

Entitlement to Attend and Vote

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

Appointment of Proxies

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

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

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

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

Appointment of Proxy Using Hard Copy Proxy Form

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

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

   - Completed and signed;
   - Sent or delivered to Share Registrars Limited at The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR or emailed to voting@shareregistrars.uk.com; and
   - Received by Share Registrars Limited no later than 48 hours (excluding non-business days) prior to the Meeting.

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

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

Appointment of Proxy by Joint Members

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

Changing Proxy Instructions

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

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

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

Termination of Proxy Appointments

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

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

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

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

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

Issued shares and total voting rights

10. As at 1 June 2021, the Company's issued share capital comprised 1,688,959,820 ordinary shares of £0.01 each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 1 June 2021 is 1,688,959,820.

Communications with the Company

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

CREST

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

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

NOTICE OF ANNUAL GENERAL MEETING

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

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

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

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

COMPANY INFORMATION

for the year ended 31 December 2020

DIRECTORS:	Matthew James Wyatt King	Chairman
	David Stuart Archer	Executive Director
	Dale John Ferguson	Executive Director
	Maqbool Ali Sultan	Non-Executive Director
	Imad Kamal Abdul Redha Sultan	Non-Executive Director
	James Gerald Leahy	Non-Executive Director
	Manohar Pundalik Shenoy	Alternate Director
	Murtadha Ahmed Sultan	Alternate Director
SECRETARIES:	Christopher Michael McGarty c/o Salisbury House London Wall London EC2M 5PS	Dominic Traynor Salisbury House London Wall London EC2M 5PS
REGISTERED OFFICE:	Salisbury House London Wall London EC2M 5PS	
REGISTERED NUMBER:	07307107 (England and Wales)	
AUDITORS:	BDO LLP Chartered Accountants & Statutory Auditors 55 Baker Street London W1U 7EU	
BANKERS:	NatWest Bank Plc St James' & Piccadilly Branch PO Box 2DG, 208 Piccadilly London W1A 2DG	
NOMINATED ADVISOR:	SP Angel Corporate Finance LLP Prince Frederick House 35-39 Maddox Street London W1S 2PP	
JOINT BROKERS:	finnCap Ltd One Bartholomew Close London EC1A 7BL WH Ireland Limited 24 Martin Lane London EC4R 0DR	
SOLICITORS:	Druces LLP Salisbury House London Wall London EC2M 5PS	
REGISTRARS:	Share Registrars The Courtyard, 17 West Street Farnham Surrey GU9 7DR	
WEBSITE:	www.savannahresources.com	