2 June 2021

Financial Results for the Year Ended 31 December 2020

Savannah Resources plc (AIM: SAV, FWB: SAV and SWB: SAV), the resource development company, is pleased to announce its audited financial results for the year ended 31 December 2020.

2020 Summary:

Mina do Barroso Lithium Project, Portugal

- Submitted the Project's Environmental Impact Assessment and Mine Plan to the Portuguese authorities for the Environmental Licencing process
- Advanced negotiations around the Project's future commercialisation
- Continued with the metallurgical test work programme in Australia and desk-based project design tasks while field work was restricted by COVID-19
- Continued with widespread stakeholder engagement while observing COVID-19 restrictions

Mutamba Mineral Sands Project, Mozambique

- Received the 3rd and final Mining Concession Licences covering the project's 4.4Bt resource
- Initiated work programmes to meet the Mining Licence obligations
- Initiated a review to identify the best technical and corporate development options available

Block 4 & 5 Copper Projects, Oman

- Divested Savannah's majority stakes in these non-core assets to ASX-listed Force Commodities Ltd; the transaction structure gives Savannah ongoing exposure to the projects

Corporate

- Introduced COVID secure working practices and additional business mitigation measures to protect our staff, stakeholders and the Group from the impacts of COVID-19
- Qualified to receive support from the Business Investment Platform initiative managed by EIT InnoEnergy, coordinator of the European Commission's European Battery Alliance
- Completed an oversubscribed £2.3m (gross) equity financing
- Loss from continuing operations of £2.9m (2019: £3.6m); overall loss including non-cash adjustment to intangible assets associated with Oman divestment £8.3m (2019: £3.8m)
- Year-end cash position of £2m

Subsequent Events & 2021 Outlook

Mina do Barroso Lithium Project, Portugal

- Public consultation on the EIA initiated in April 2021; Key milestone of 'Declaration of Environmental Impact' expected later this year
- Received increasing investment and offtake interest in parallel with H1 2021 lithium price recovery; announced Heads of Agreement ('HoA') on offtake and project-level investment announced with Galp Energia SGPS, S.A ('Galp') in January 2021
- Amid a backdrop of increased interest, the HoA expired on 31 May 2021, allowing Savannah to fully evaluate its strategic options for the project against the improved market conditions
- Subject to ongoing COVID-related restrictions, complete the project's Definitive Feasibility Study in support of securing construction financing
- Adding to our in-house team in preparation for the development of Mina do Barroso

Mutamba Mineral Sands Project, Mozambique

- Maintain the licences in good standing, complete the current technical and corporate review and action its findings

Corporate

- Completed an oversubscribed £10.3m (gross) equity financing in April 2021
- Creating a Corporate Environmental and Social Management System ('ESMS')
- Seeking to expand Savannah's interests in the lithium sector beyond Mina do Barroso

Availability of Annual Report and Financial Statements

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

Annual General Meeting

The Company gives notice that its Annual General Meeting ('AGM') will be a closed meeting due to UK Government COVID-19 restrictions, it will be held at 10:00 on 30 June 2021 at the Company's registered office, Salisbury House, London Wall, London, EC2M 5PS. As a result, shareholders will not be permitted to attend the AGM in person and should therefore vote by proxy.

The Board continues to monitor the evolving COVID-19 situation and the safety and security of our workforce and our shareholders remains paramount. We appreciate that shareholders and their corporate representatives or proxies may wish to raise questions and comments, therefore the Company will hold a webcast meeting at 11:00 on 30 June 2021 which will include a short presentation from David Archer, Chief Executive Officer. Shareholders are invited to submit appropriate questions by email to info@savannahresources.com by 17:00 (UK time) on 24 June 2021.

The formal notice of the 2021 AGM has been posted to shareholders and is available to review on the Company's website at
http://www.savannahresources.com/investor-relations/corporate-documents/.

Further details regarding the webcast will be made available in due course.

Regulatory Information

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the Company's obligations under Article 17 of MAR.

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About Savannah

Savannah is a diversified resources group (AIM: SAV) with two development stage projects, Mina do Barroso, a hardrock lithium project in Portugal which has the largest spodumene lithium resource in Europe, and the world-class Mutamba Heavy Mineral Sands Project in Mozambique, which is being developed in a consortium with the global major, Rio Tinto. The Board is committed to serving the interests of its shareholders and to delivering outcomes that will improve the lives of the communities we work with and our staff.

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

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 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. 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.

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

Source: Getty Images

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 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 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.

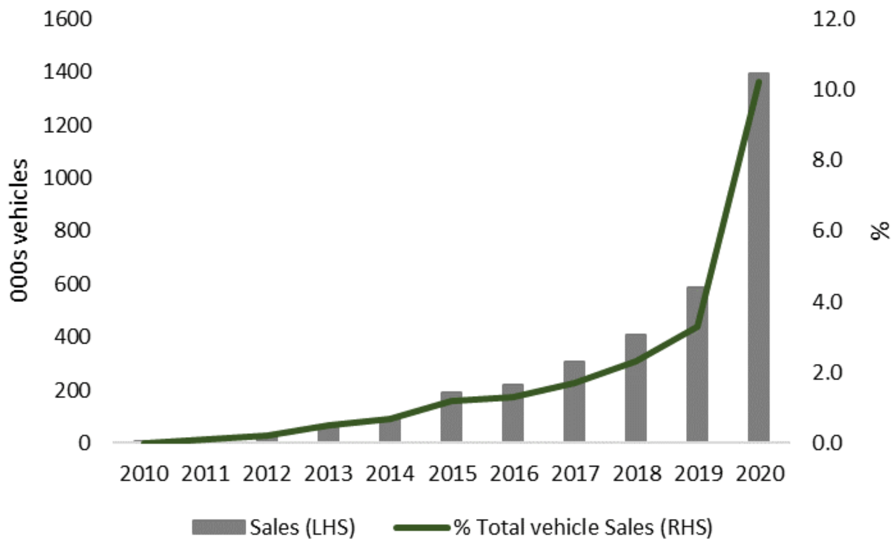
On the ground in Mozambique, we focused our efforts on working towards meeting the requirements of the 25-year Mining Licences we were so pleased to be awarded in late 2019 and early 2020. At a corporate level, we are determined to clarify the future of Mutamba for our shareholders and its stakeholders. 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.

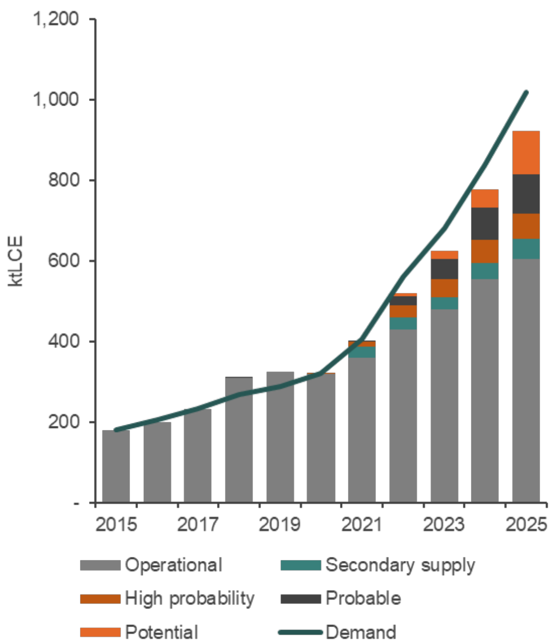
European Annual Plug-in Vehicle Sales & Market Share:



Source: EV-volumes.com

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 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.

The supply-demand outlook for lithium to 2025:



Source: Benchmark Mineral Intelligence

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 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

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.

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

Source: Behault Mining

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.

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.

Sample collection taking place on the Mutamba Project, Mozambique:

Source: Company

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	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	**(2,924,582)**	(3,574,254)
LOSS ON DISCONTINUED OPERATIONS BEFORE AND AFTER TAX	**(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	**(0.62)**	(0.36)
From Continued Operations	**(0.22)**	(0.34)
From Discontinued Operations	**(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.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	2020	2019
	£	£
ASSETS		
NON-CURRENT ASSETS		
Intangible Assets	**17,246,222**	21,068,376
Right-of-Use Assets	**21,709**	37,785
Other Intangible Assets	**6,682**	10,804
Property, Plant and Equipment	**973,528**	1,337,229
Other Non-Current Assets	**73,530**	248,275
Bank Deposits	**590,175**	742,363
TOTAL NON-CURRENT ASSETS	**18,911,846**	23,444,832
CURRENT ASSETS		
Equity instruments at FVTOCI	**606,245**	36,762
Trade and Other Receivables	**194,301**	285,699
Other Current Assets	**13,670**	19,171
Cash and Cash Equivalents	**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	**14,309,910**	12,974,598
Share Premium	**34,474,884**	33,511,787
Merger Reserve	**6,683,000**	6,683,000
Foreign Currency Reserve	**(193,541)**	(30,257)
Warrant Reserve	**12,157**	975,679
Share Based Payment Reserve	**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	**1,130**	12,059
TOTAL NON-CURRENT LIABILITIES	**1,130**	12,059
CURRENT LIABILITIES		
Lease Liabilities	**11,608**	18,990
Trade and Other Payables	**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

COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	2020	2019
	£	£
ASSETS		
NON-CURRENT ASSETS		
Investments in Subsidiaries	**621,582**	894,993
Other Intangible Asset	**5,948**	5,948
Other Receivables	**32,995,016**	33,265,297
Other Non-Current Assets	**6,776**	41,068
TOTAL NON-CURRENT ASSETS	**33,629,322**	34,207,306
CURRENT ASSETS		
Equity instruments at FVTOCI	**604,136**	33,935
Trade and Other Receivables	**47,908**	70,338
Cash and Cash Equivalents	**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	**14,309,910**	12,974,598
Share Premium	**34,474,884**	33,511,787
Merger Reserve	**6,683,000**	6,683,000
Warrant Reserve	**12,157**	975,679
Share Based Payment Reserve	**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	**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).

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

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)	**1,300,113**	**920,537**	**-**	**-**	**-**	**-**	**-**	**-**	**2,220,650**
Shares issued in lieu	**20,199**	**16,160**	**-**	**-**	**-**	**-**	**-**	**-**	**36,359**
Share based payment charges	**-**	**-**	**-**	**-**	**-**	**58,979**	**-**	**-**	**58,979**
Exercise of options	**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.

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)	**1,300,113**	**920,537**	**-**	**-**	**-**	**-**	**-**	**2,220,650**
Shares issued in lieu	**20,199**	**16,160**		**-**	**-**	**-**	**-**	**36,359**
Share based payment charges	**-**	**-**	**-**	**-**	**58,979**	**-**	**-**	**58,979**
Exercise of options	**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.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	2019 £
Cash flows used in operating activities		
Loss for the year	**(8,325,758)**	(3,801,926)
Depreciation and amortisation charges	**44,663**	40,872
Share based payment charge	**58,979**	33,170
Shares issued in lieu of payments to suppliers	**36,359**	-
Finance income	**(38,747)**	(25,621)
Finance expense	**765**	1,528
Exchange losses / (gains)	**(37,580)**	196,229
Loss on sale of discontinued operations	**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	**(1,577,532)**	(4,169,238)
Purchase of other intangible assets	**-**	(1,278)
Purchase of tangible fixed assets	**(2,721)**	(21,296)
Purchase of investments	**-**	(28,371)
Proceeds from sale of investments	**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	**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)	**2,220,650**	4,826,400
Proceeds from exercise of share options	**41,400**	-
Principal paid on lease liabilities	**(18,310)**	(20,488)
Interest paid on lease liabilities	**(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	**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	**2,000,209**	3,484,781

COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	2019 £
Cash flows used in operating activities		
Loss for the year	**(5,153,316)**	(4,600,564)
Impairment of financial assets	**(404,684)**	1,035,627
Share based payment reserve charge	**58,979**	33,170
Shares issued in lieu of payments to extinguish liabilities	**36,359**	-
Finance income	**(4,819)**	(25,514)
Exchange losses / (gains)	**(1,289,781)**	1,718,168
Loss on sale of subsidiaries	**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	**(36,180)**	(27,195)
Loans to subsidiaries	**(3,658,442)**	(6,512,623)
Purchase of investments	**-**	(26,326)
Proceeds from sale of investments	**-**	12,112
Proceeds from sale of subsidiaries	**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)	**2,220,650**	4,826,400
Proceeds from exercise of share options	**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	**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	**1,237,876**	3,277,943

**** ENDS ****