Financial Results for the Year Ended 31 December 2018 and Notice of Annual General Meeting

21st May 2019

Savannah Resources plc (AIM: SAV, FWB: SAV and SWB: SAV) ('Savannah', the 'Company' or the 'Group'), the AIM quoted resource development company focused on developing the Mina do Barroso lithium mine in Portugal, and projects in Mozambique and Oman, is pleased to announce its audited financial results for the year ended 31 December 2018.

The Company also gives notice that its Annual General Meeting ('AGM') will be held on 18 June 2019 at St. James Room 1, Institute of Directors, 116 Pall Mall, London, SW1Y 5ED at 10:00am.

OVERVIEW:

- Mina do Barroso now confirmed as the largest resource of spodumene lithium in Western Europe with a current resource of 23.5Mt at 1.02% Li_2O for 241,000t of contained Li_2O:
  - Post-tax NPV_8 of US$241m and IRR of 48.6% published in Scoping Study
  - Feasibility Study commissioned with results expected in H2 2019
  - Purchased an option to acquire a suite of adjacent tenement blocks ('Aldeia') which are currently subject to a separate Mining Lease application
  - Drilling on Aldeia Block A returned the highest assay to date from the Project area with an intersection of 45m at 1.67% Li_2O from 89m, including 22m at 2.00%
  - Mina do Barroso strategically positioned as an economically attractive source of significant lithium supply for Europe's rapidly developing lithium ion battery industry with potential to supply c.40% of the forecast lithium demand from Europe's automotive industry in 2025
  - Discussions initiated with potential offtake and strategic partners and providers of project finance
  - Portuguese Government-announced lithium strategy demonstrates commitment to creating a new national industry based on the country's significant lithium resources and the growing lithium demand forecast from the EU
  - Agreement to acquire the remaining 25% of the Project from the minority owners resulting in 100% ownership

- Progress continues at Mutamba Mineral Sands Project in Mozambique:
    - First phase of the Pre-Feasibility Study continued on the joint venture with Rio Tinto
    - Upon completion, the study will increase Savannah's stake from 20% to 35%
    - Submissions made for mining leases covering the adjacent Jangamo and Dongane/Ravene blocks and the Chilubane deposit in Q1 2018
    - Mining lease application made over area EL3617L in Q3 2018

- In Oman Copper projects:
    - Open dialogue maintained with the Public Authority for Mining for the award of outstanding licence applications submitted in 2016
    - Extended the second capital contribution period for Al Thuraya Mining LLC (owner of Block 4) by eighteen months
    - Undertaking a strategic review to determine the best course of action in regard to these projects for the Company and its shareholders

- Strong support received from existing shareholders and new institutional investors:
    - £14.7m raised in 2018 through two placements to new and existing shareholders at an average share price issue of 8.25p, representing an issue price increase of 57% compared to 2017
    - Al Marjan Limited remained Savannah's largest shareholder through its investments in the 2018 fundraisings, with a year-end position of 23.63% (2017: 29.39%)
    - Specialist resource investor Slipstream Resources Investments Pty Ltd set to become the second largest shareholder, at 16% following all share deal to increase SAV's holding in the Mina do Barroso Project to 100%
    - Funds raised principally committed to Mina do Barroso for continuing mineral resource definition and to initiate workstreams relating to the Definitive Feasibility Study

David Archer, Savannah's Chief Executive Officer said, "I am delighted with the substantial progress made at the Mina do Barroso lithium project throughout 2018 and extending into 2019. Development progress has been excellent and recognition of the importance of the Project was underscored by the £14.7m cash investment we received from existing and new institutional shareholders.

"In just two years, we have taken the Project from an early stage, pre-resource exploration prospect to being the leading conventional hard rock spodumene lithium project in Europe, with a current Mineral Resource of 23.5Mt at 1.02% Li_2O. Results from the active workflow, including the highest grades ever reported being 2% lithium over 22m highlight Mina do Barroso's significance and its potential particularly in the European context – it has the potential to supply a significant portion of the continent's lithium battery raw material requirement over the next decade.

"Moreover, the recent Franco-German initiative to establish a European battery cell consortium with an initial investment of up to €6bn in order to progress the development of batteries for electric vehicles marks a clear commitment from the EU to increase its investment in the European lithium battery industry. I am confident that Savannah will play an integral role in helping Europe achieve its goal of decarbonising its transport sector to combat climate change.

"On a wider level we continue to progress the Mutamba minerals sands project and await the grant of mining leases. It remains a valuable long-term asset to Savannah given its scale, our project partner, and the opportunity for us to continue to add value with further study work. We remain hopeful that the mining leases will be approved by the Mozambique authorities in the near future.

"2019 is set to be another defining year for the now 100% owned Mina do Barroso lithium project, with the expected conclusion of the Definitive Feasibility Study, as well as significant developments in relation to permitting, funding and offtake agreements. I look forward to providing regular updates as we look to rapidly advance into production and build shareholder value."

Availability of Annual Report and Financial Statements

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

Annual General Meeting

The Company's next AGM will be held at: St. James 1 Room, Institute of Directors, 116 Pall Mall, London, SW1Y 5ED. A formal Notice of AGM and proxy form will be posted with the annual report and will be available to download today from the Company's website at www.savannahresources.com.

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

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

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About Savannah

Savannah is a diversified resources group (AIM: SAV) with a portfolio of energy metals projects - lithium in Portugal and copper in Oman - together with the world-class Mutamba Heavy Mineral Sands Project in Mozambique, which is being developed in a consortium with the global major Rio Tinto. 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

2018 was the year in which our spodumene lithium project at Mina do Barroso in northern Portugal ("Mina do Barroso") was firmly established as our flagship asset due to its strategic importance and impressive value potential for shareholders. Management therefore focused its efforts on developing this asset, while our mining lease applications in Mozambique and Oman continued to be shepherded through the governmental processes in those countries. Our work was supported by an oversubscribed fundraise in the third quarter of 2018 and we are very grateful for the support demonstrated by our shareholders in that exercise.

For 2019, our objective is to reach a development decision point on the Mina do Barroso project during the year once the underway Definitive Feasibility Study is completed. The anticipated award of the mining leases we applied for in Mozambique last year will allow us to accelerate the work programme on the current Pre-Feasibility Study and allow the market to reassess the value of that project in our portfolio. Award of the mining licences we have applied for in Oman would also provide greater clarity on those projects. However, with Savannah's focus firmly on our more prospective projects in Portugal and Mozambique, our Oman projects are now seen as lower priority and we are undertaking a strategic review to identify Savannah's best course of action in regard to these projects.

Portugal

Following the rapid delineation of a sizeable Mineral Resource at Mina do Barroso (now over 23Mt at 1.02% Li_2O) and completion of a highly positive Scoping Study, multiple work streams were initiated during 2018. These workstreams should clearly define all aspects of the project and take us to a decision point on its potential development later this year. You will find more details of the work which was completed and is continuing in the following Chief Executive's Report.

Our work at Mina do Barroso coincides with the rapid developments that are taking place across Europe (including in the UK) in relation to the development of a comprehensive, regionally focused, lithium battery industry. This industry will combine extraction and processing of key battery raw materials, such as lithium, with large scale battery manufacturing. Once established, this supply chain will provide the rechargeable, zero emission, batteries which are expected to play a key role in the EU's efforts to decarbonise Europe's economy.

The European Union has embraced the challenge presented by the climate change targets set by the 2015 Paris Agreement and the IPCC 2018 Special Report and is calling for significant reductions in greenhouse gas emissions from transport. Based on these targets the EU is forecasting annual sales of Zero and Low emissions vehicles (essentially fully electric and hybrid vehicles) to rise from 0.7M in 2017 to at least 4M in 2030, making Europe the second largest market for electric vehicles ("EVs") behind China and North America. Savannah plans to play its part in supporting the region's efforts to meet its emission goals by providing a sustainable, local supply of lithium concentrate from its Portuguese operation which would be sufficient for 0.25-0.55M EVs per annum.

Our development plan for Mina do Barroso also complements Portugal's own stated 'Lithium Strategy' which targets the development of Portugal's in-ground lithium resources to support the creation of a new lithium-based industry in the country. The country is already Europe's largest producer of lithium, and the sixth largest producer in the world, with the material used in the country's large ceramics industry. However, the emergence of lithium ion battery applications, first in mobile technology and now on a much larger scale for electric vehicles, provides Portugal with a great opportunity to create many more jobs and greater tax revenues from its lithium resources.

We believe that the acquisition (subject to shareholder approval at the forthcoming AGM) of the minority 25% stake in the project, which we announced on 15 April 2019 and which would take Savannah's ownership to 100% clearly demonstrates our belief in Mina do Barroso and reiterates our objective to become the most significant producer of spodumene lithium in Europe. However, we are also conscious of our wider community, social and environmental responsibilities and we are developing a range of programmes and initiatives that will underscore our commitment to deliver not only jobs and prosperity to the region but the very best environmental and social outcomes too.

We are very conscious of our responsibilities to the local community and we are committed to addressing any concerns in a pro-active way so that the impacts of a potential mine development on the local community and environment are minimised, while at the same time contributing to the development of the local economy and the achievement of the continent's climate change goals.

Mozambique

As one of the world's largest resource bearing Heavy Mineral Sands ("HMS") projects remaining to be put into production, we believe our Mutamba consortium project with Rio Tinto ("Mutamba") ("Consortium") is a valuable and strategic long-term asset within the HMS industry. The titanium minerals and zircon found in HMS deposits are used to manufacture inert white pigments and opacifers which have many applications in society ranging from white paint through to pharmaceuticals. The prices of these minerals have recovered well from the lows seen in 2015 as previously high inventory levels have been worked down and global economic growth rates have been maintained. Hence, Savannah remains committed to progressing its appraisal work on Mutamba.

The 2017 Scoping study results, the involvement of Rio Tinto as joint venture partner and offtaker, Mutamba's location close to Rio Tinto's processing facilities at Richards Bay in South Africa, and the recovery and positive outlook for the underlying commodity prices, all lead us to believe that Mutamba could provide Mozambique with decades of social and economic benefits.

Three Mining Lease applications were submitted in January 2018. To date, the Consortium is yet to receive a final decision on the applications, or on the additional mining lease application which was made on an adjoining tenement area submitted last September. We have maintained an open and constructive dialogue with the Mozambique Government from which we understand that our applications continue to transit through the application process. Based on the feedback received, we are hopeful that the mining leases will be issued in the coming months.

Once mining leases are granted the next step will be to progress and complete the current Pre-Feasibility Study. This would see our ownership in the joint venture increase from 20% to 35%. Assuming the results support the positive conclusions of the 2017 Scoping Study, we expect to then complete a Bankable Feasibility Study which would lift our ownership in the Consortium to a final and majority position of 51%.

Oman

As in Mozambique, progress on our copper projects in Oman was also impacted by delays to the award of the relevant mining licences. We had hoped with the news that the last Ministerial letter of 'no objection' had been received in May 2018, that a positive decision on our application from Oman's Public Authority for Mining ("PAM") would be forthcoming in the second half of the year, however this has not proved to be the case. Also, the renewal of the Block 4 exploration licence has been delayed due to claims by a party in relation to certain areas within Block 4. According to our legal advisers in Oman, the Group has the right to renew the Block 4 exploration licence area in full, without any exclusions. Hopefully, 2019 will bring resolution for the Group with respect to the mining licence applications but in the meantime we maintain regular dialogue with PAM and have provided additional information at PAM's request.

As stated above, the combination of the licence delays experienced in Oman and the rapid progress at Mina do Barroso has meant that our copper projects now have a lower priority in our overall portfolio. While award of the outstanding mining licences would significantly advance these projects, Savannah must evaluate the risk/reward opportunity currently presented by Oman against those available elsewhere. Hence we are undertaking a strategic review to identify Savannah's best course of action with regards to these projects.

Corporate Update

Savannah is fortunate to have a large number of long-term supportive shareholders. It was pleasing to see all of the four largest holders in 2017 increasing their share positions in 2018, primarily through our record oversubscribed £12.6m fundraise in July. Al Marjan Limited remained the Company's largest shareholder during the year, increasing its ownership by over 21m shares to 208.3m. As the largest of the vendors of the Mina do Barroso project, Slipstream Resources saw its stake in Savannah rise to 5.1% as various milestones in the project acquisition agreement were passed. (It should be noted that the issue of shares to the Mina do Barroso vendors reduced Al Marjan's percentage stake in Savannah from 29.4% to 23.6%). It was also pleasing to welcome a number of institutional shareholders onto our register through the fundraise.

In line with the increasing significance of Mina do Barroso in our portfolio, Savannah took up a Secondary listing on the Frankfurt Stock Exchange (Quotation Board Segment of the Open Market; FWB: SAV) last September to increase the company's visibility to investors in mainland Europe. The Frankfurt Exchange is the largest of the seven regional security exchanges in Germany and is the third largest stock exchange in Europe behind London and Euronext, based in Amsterdam. While trading volumes in our shares on FWB have been modest to date, we plan to increase our marketing efforts into Germany and other European countries in 2019 to leverage the opportunity created by the listing.

We also continued to grow our team in 2018 with a number of new hires across differing parts of the business. In November we welcomed James Leahy to the Board of Savannah as an Independent Non-Executive Director. On top of his significant recent listed company board experience, including time as Interim Chairman of the listed lithium company, Bacanora Minerals Ltd, James spent over 30 years working in the capital markets with much of his time spent specialising in natural resources and commodity related activities. We look forward to James' input in our capital market activities in 2019 as we continue to move the Mina do Barroso project towards the development decision point and potential financing.

Supported by KPMG LLP, 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. As announced on 6 March 2019, a new long-term incentive plan ("LTIP") intended to support this policy was implemented. The LTIP, which was prepared with advice from KPMG LLP, replaces the Company's prior long-term incentive plan which was implemented in April 2018 (the "2018 Plan") and for which all awards under it were terminated with no rewards being granted.

Furthermore, we strengthened our Corporate Governance with the adoption of the Quoted Companies Alliance's Corporate Governance Code in September 2018.

Financial Overview

As is to be expected with an active and expanding resource development group, the Group is reporting a loss for the year of £3.4m (2017: £2.8m). During the year net assets have increased to £25.4m (2017: £13.1m) predominantly due to the increase in the exploration activity, the completion of the scoping study and the ongoing execution of the Definitive Feasibility Study in the Mina do Barroso lithium project, with additions in Exploration and evaluation assets in the lithium project of £6.1m, of which £2.0m are payments of the contingent consideration milestones triggered during the year. Another significant driver in the increase of the net assets is the increase in Cash and cash equivalents by £5.3m as a result of well supported equity fundraisings during the year, with a strong cash position at year end of £7.7m. In April and July 2018, the Company raised a total of £14.7m cash (before expenses) through the issue of 177,640,185 new ordinary shares at a significantly increased average issue price of 8.25p per ordinary share (2017: 5.25p), representing a 57% increase compared to 2017. As part of these equity fundraises, the Company's largest shareholder, Al Marjan Ltd, acquired 21,383,839 shares for £1.6m in cash.

Corporate Social Responsibility ("CSR")

We have included a separate Corporate Social Responsibility section in our Annual Report for the first time this year (see Annual Report). CSR considerations have always been important aspects of how Savannah does business, but as we move towards a development decision on our Mina do Barroso project, and hopefully operating our first producing asset, we believe there is a need to formalise our CSR agenda for the benefit of all stakeholders in the Group's projects.

We look forward to providing more information on our CSR programmes in the future, and trust in the meantime that the information provided in the community sections of our website, which were introduced in late 2017, have proved to be a useful source of additional information for all our project stakeholders.

Outlook

2019 is set to be another critical year for Savannah. If we are able to execute our plans across our project portfolio our company could see material changes in its size, status and, potentially, its value.

Our immediate next steps across our projects are clear: to conclude the appraisal process at Mina do Barroso, taking us to a development decision point on the project; to receive the award of the outstanding mining lease applications in Mozambique and complete the Pre-Feasibility on the Mutamba HMS project; and to conduct a strategic review on our Omani copper projects, which will allow us to provide shareholders with clarity on our plans for those properties in due course.

As ever, I am extremely thankful for the continued efforts of our management and operational teams which drive the evolution of Savannah. Equally, their efforts could not be maintained without the ongoing support of our shareholders. My thanks to you all, and we look forward to continuing to build the value of our company for the benefit of all stakeholders throughout 2019.

Matthew King

Chairman

Date: 20 May 2019

Chief Executive's Report

I reiterate the Chairman's comment that 2018 was a very important year for the company.

We made exceptional progress with the Mina do Barroso Lithium Project in northern Portugal where we have shaped what was a relatively early stage, greenfields exploration opportunity in 2017 into Europe's most significant lithium spodumene Mineral Resource by the 2018-year end. Hundreds of billions of Euros are now being invested by the European battery and electric vehicle industry to transform European transport to electric mobility. Mina do Barroso will play a key role in these developments. We anticipate strong growth for lithium from increasingly high-energy-density batteries and increasing sales of EVs based on consumer preferences, government encouragement and a broadening EV model range from car manufacturers.

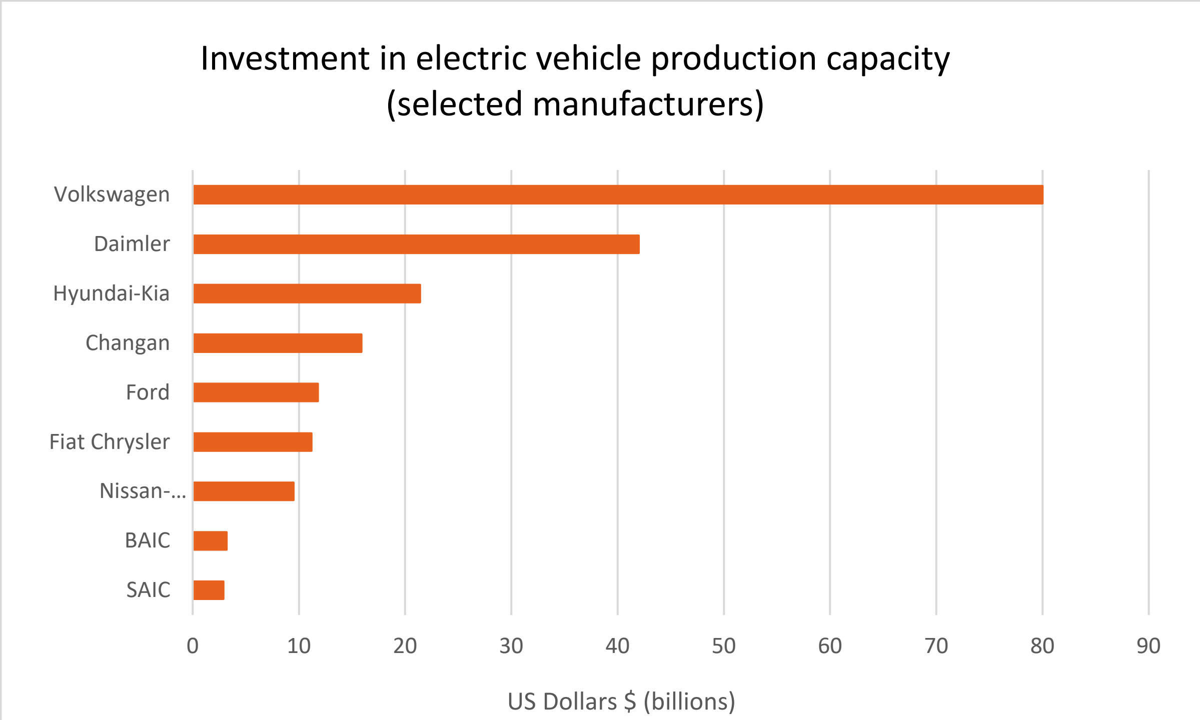
At the same time, while the lengthy approval processes for our mining lease application approvals in Mozambique and Oman have been frustrating, they did enable us to focus our resources on our project in Portugal where we now have a full Definitive Feasibility Study underway.

Portugal – Mina do Barroso Lithium Project

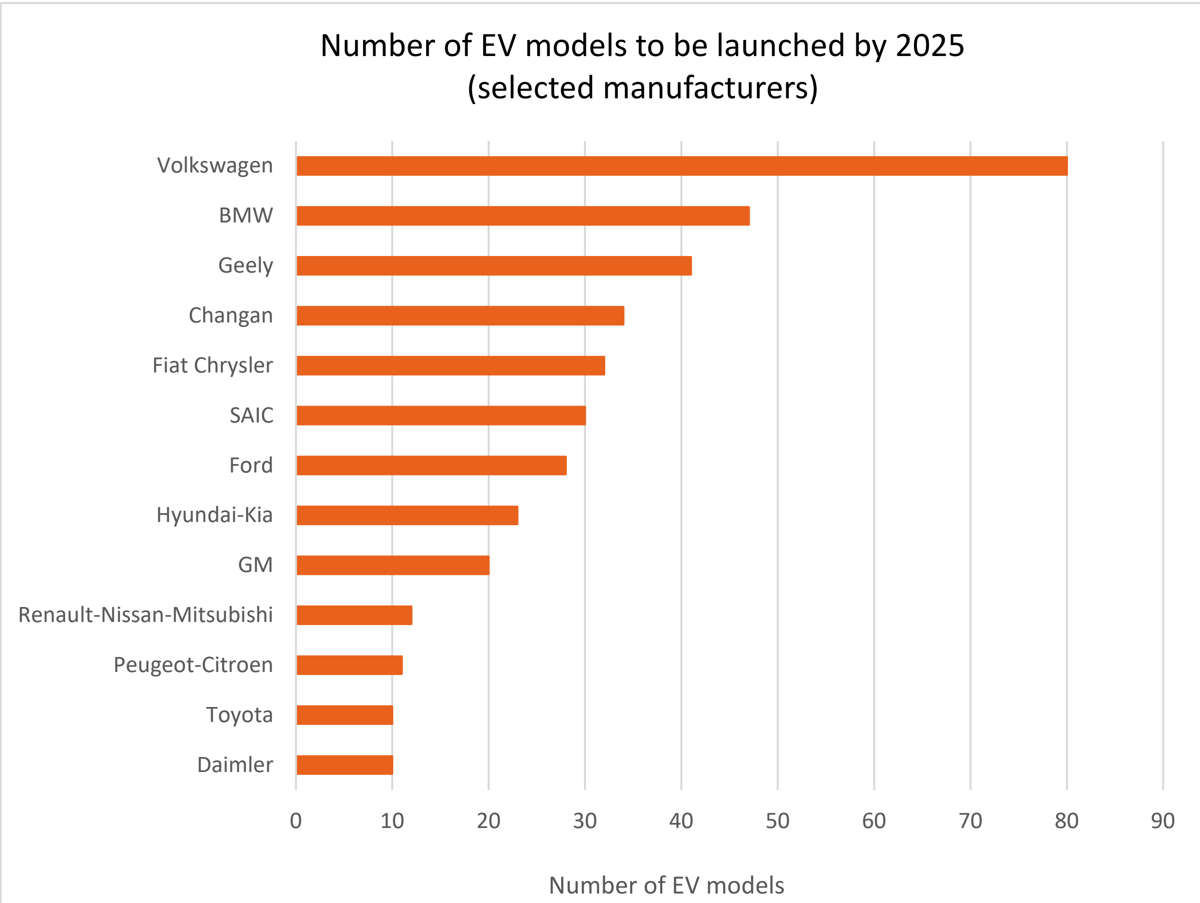
Our strategic move in 2017 into Portugal's nascent lithium spodumene sector appeared to be followed last year by a growing realisation among EU law makers and Europe's wider society that more decisive action must be taken for the region to meet its long-term goal of reducing greenhouse gas emissions to limit climate change. Road transport is the second largest producer of greenhouse gases in Europe behind power generation, and legislators are keen to hasten the reduction in vehicle emissions. As a result, increasingly tough emission targets and zero and low emission vehicle ("ZLEV") related incentives are being used to stimulate action by automobile manufacturers. The EU is also aware of the pressure on the supply of 'battery technology' metals globally caused by the introduction of similar emission targets in the developed economies around the world. As a result, there is a growing realisation that Europe must be able to manufacture zero emission battery packs for its automobile industry from raw materials sourced locally to obviate potential problems from long supply chains and supply bottlenecks. We believe that Portugal will likely take the lead in lithium production within Europe and Mina do Barroso is likely to be the vanguard project.

The European Commission is vitally concerned about the competitive position of the European car industry which is a key sector for the European economy. The industry is stepping up to the plate with heavy investments in EVs – Volkswagen ("VW") is investing €80billion and Daimler €42billion in their EV model roll-outs. This is matched by heavy investments by both European and international groups in battery manufacturing and battery pack plants. The figure below outlines the massive transformation that is currently underway which, on an industry scale, is of similar significance to the funds invested under the Marshall Plan in the post-war period.

Electric Vehicle plans of selected global car brands:



Source: BloombergNEF Electric Vehicle Outlook 2019 and Reuters



Source: BloombergNEF Electric Vehicle Outlook 2019

At the national level there is a clear focus by the Portuguese government to foster the development of the country's lithium resources. A government study was completed on the subject in 2017 and a series of areas in northern Portugal that are regarded as having excellent lithium prospectivity will be offered by international tender later in 2019. Savannah is conscious of the government's objective to maximize the value add from its lithium resources and an important feature will be the development of lithium refining capacity in the country. Savannah is in dialogue with groups that are interested in a mineral conversion plant in Portugal which would refine Mina do Barroso concentrates as a baseload supplemented potentially by other local or imported concentrates. This could be the nucleus for a whole range of new industries for Portugal in the downstream lithium value chain.

At a global level we are already seeing significant increases in global EV sales. Sales volumes are up by 63% year on year, for 2018 to two million units. The Boston Consulting Group is forecasting that EV sales will move to 25 million vehicles by 2025 a true tipping point for the industry. China is preparing itself and its installed manufacturing capacity for lithium-ion batteries rose by 35.6GWh in January to October 2018, up 90% year on year. Meanwhile Europe is the second largest EV market with just over 409,000 units sold.

To the project itself, over the year, our in-house team and supporting consultants took Mina do Barroso from an early stage prospect with a modest 3Mt resource as assessed in late 2017 to an advanced development project on which a well-defined 20Mt Mineral Resource (as at 2018 year end and now 23.5Mt) was established along with very attractive initial economics which justified commissioning of a full Definitive Feasibility Study. In simple terms, I believe we demonstrated that the project is the most significant spodumene lithium project in Europe. Our task now is to prove this to the level for financing of the project's construction supplemented with offtake arrangements for the spodumene concentrates, and to show that the project can be developed and managed in a disciplined and sustainable manner that will bring benefit for all stakeholders.

An example of our innovative approach to the project is the recycling of water used in the lithium concentration process. This includes recovering water from the inert waste product stream allowing the storage of dry waste only and negating the need for the construction of dams to retain water-bearing waste.

The Scoping Study in June helped to quantify the scale of the opportunity presented by Mina do Barroso for both the investment market along with potential strategic investors and off takers and drove our decision to fast track the project into a full Definitive Feasibility Study. Based on initial capex of US$109m (excluding contingencies) and average annual production of 175,000t of spodumene lithium concentrate over an 11 year life, the Scoping Study returned a pre-tax NPV8% of US$356m, pre-tax IRR of 63% (post tax US$241m and 48.6% respectively), pre-tax payback of 1.7 years, and annual average EBITDA of US$72m. All in all, an impressive investment case for a mining project and a major factor in our decision in April 2019 to propose the acquisition of the outstanding 25% minority shareholding in the project to give Savannah 100% ownership of Mina do Barroso ahead of the development decision point.

With our balance sheet strengthened by the oversubscribed £12.6m equity cash fundraise in July (a company record and 7th largest fundraise by an AIM mining company in 2018), we appointed the very experienced Primero Group as the primary engineering group and lead on the Feasibility Study. Alongside Primero we have added a portfolio of leading specialist consultancy firms covering the range of technical workstreams required for both a Definitive Feasibility Study and the associated Environmental Impact Assessment. Importantly, the firms consulting on our project study have recent experience of working on major international lithium projects and/or in Portugal. Hence, while every project is unique, we feel satisfied that we are receiving the most relevant and expert guidance available.

The drilling campaign which began in mid-2017 continued at pace during the year. Ongoing data collection through drilling (and surface sampling) is a key input into many of the Feasibility Study workstreams, such as resource and reserve definition, mine planning, groundwater assessment, geotechnics and the layout of site infrastructure. By year end, the drill hole count had reached 300 across eight lithium deposits since the programme began in 2017 and totalled 25,470 metres drilled. The drilling programme was one of the most extensive programmes undertaken in Europe in recent years and is a testament to the commitment and skills of our resource evaluation team.

The drilling to date has been highly successful with respect to all its key goals which include:

- JORC Mineral Resource expansion: By September we were able to publish the third resource upgrade for the year with the JORC Mineral Resource estimate across just the Grandao, Reservatorio and NOA orebodies reaching 20.1Mt at 1.04% Li_2O (209,000t Li_2O contained), and including 50% of the contained Li_2O in the Measured and Indicated categories. This was subsequently upgraded again in April 2019 to 23.5Mt at 1.02% Li_2O with 57% of the contained lithium in the Measured and Indicated categories and included the maiden resource estimate for the Pinheiro deposit (2.0Mt at 1.0% Li_2O). This larger resource will now form the basis for our maiden JORC Reserve estimate expected later this year.

- Confirmation of additional mineralisation: As stated, the current 23Mt resource is spread across only four of the eight pegmatite deposits on the Mina do Barroso (C-100) Mining Lease area identified to date. We plan to add to these resources over time to extend the anticipated production life of the mine past the 11 years used in the Scoping Study.

While we continue to add to the Project's Mineral Resource inventory and identify new deposits on the Mina do Barroso Mining Lease area, we also purchased an option to acquire a suite of adjacent tenement blocks last September which are currently subject to a separate Mining Lease application. In total the three blocks (blocks A to C), currently owned by private Portuguese company Aldeia & Irmão, S.A. ("Aldeia") cover an area of 2.94km². Our initial reconnaissance work identified a number of similarities to the deposits on the Mina do Barroso Mining Lease and our intensive due diligence drilling has now consistently intersected a lithium bearing, spodumene dominant pegmatite with grades up to 2.0% Li_2O over a strike length of more than 250m and a vertical depth of over 120m from near surface. We believe the potential for the presence of a significant mineralised body has been indicated. Furthermore, we are confident the Mining Lease application area could provide further significant resource upside to the overall Project. The blocks could also help to provide more flexibility for the layout of the mine infrastructure on what is currently an irregularly shaped Lease area.

The Option runs to 25 June 2019 by which time we would be required to commit to the purchase of the tenements. If we choose to exercise the option and a Mining Lease is granted by September 2024, the total purchase price for the acquisition is €3.3m payable over a c. 6-year period. These payments would likely be made whilst the overall Mina do Barroso project is in production.

In addition to the potential to produce significant volumes of spodumene lithium concentrate, we are fortunate that Mina do Barroso is not simply a single commodity project. We also plan to produce and sell feldspar and quartz co-products into Portugal's and Spain's large ceramics and glass industries. This will have the dual benefit of reducing the amount of waste material which the project produces while providing additional revenue streams which significantly improve the net production costs of the lithium concentrate and will temper overall average commodity price volatility for the project.

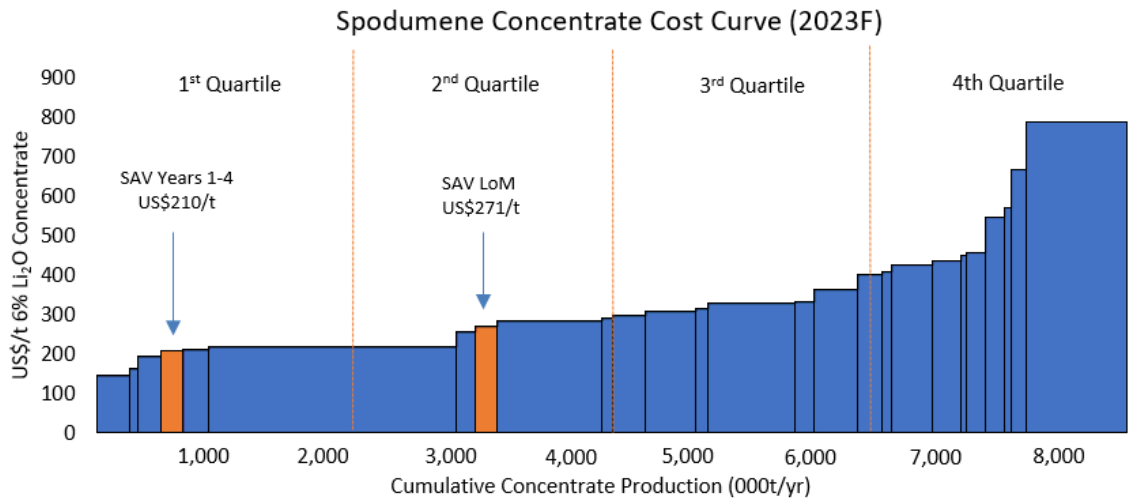
In December, the ongoing metallurgical test work confirmed that three saleable products; high grade feldspar, high grade quartz and an unrefined mixed feldspar and quartz product, could be produced from the waste stream of the lithium concentrate recovery process. A simultaneous market study by an industry expert also reported that current market prices for these products range from US$65-100/t, US$60-100/t and US$40-45/t respectively. This is highly encouraging for our ongoing economic studies as the prices quoted were significantly higher than those used in our 2018 Scoping Study (US$39/t for feldspar and US$33/t for quartz). Further bulk test work is now planned to produce feldspar and quartz samples for evaluation by potential customers as well as detailed studies into the market and capital and operating costs associated with producing these additional commodities. Work is also underway on the possibility of producing a high value mica product to assess its suitability for use in building materials.

The year also brought the formalisation of the relationships we have been building with the University of Porto and Laboratorio Nacional de Energia e Geologia ("LNEG"), a governmental research and development institution. The University of Porto has a notable history in Portugal's lithium industry with staff member, Professor Noronha responsible for first identifying the presence of lithium in Portugal at the Grandao deposit on our project around thirty years ago. The new "Protocol of Cooperation" between our groups formalises the existing working relationship which to date has included preliminary mineralogical studies and a first draft processing flowsheet for the treatment, recovery and concentration of spodumene at Mina do Barroso. This agreement is the latest in a growing number of contracts and relationships we have established with Portuguese groups since the start of our involvement with Mina do Barosso in 2017. At present we have Portuguese companies conducting the Environmental Impact Assessment on the project, providing us with legal services, advice on public and investor relations, and community and governmental engagement.

Away from the project itself, 2018 also saw us begin the process of engaging with a wide range of groups seeking to secure long term supplies of lithium. Given the rapid evolution of this sector, the universe includes a diverse range of potential counterparties including intermediary lithium conversion businesses, industrial chemical manufacturers, automotive companies, battery manufacturers, specialist finance groups and trading houses. These discussions, along with associated due diligence programmes will continue during 2019 in parallel with the ongoing project evaluation and permitting programmes and we continue to receive enquiries from further groups keen to also be part of Europe's growing lithium industry.

It is worthwhile briefly mentioning the market and pricing for spodumene concentrates. Some suggest that burgeoning lithium demand from the fast growing EV sector will encourage a supply response overreaction by the lithium hard rock and brines producers. However, brines producers operating in South America have not been able to step up production to meet demand and the Australian hard rock, spodumene producers now lead global production. The overall investment climate has become more challenging for developers although capital is going to those with good quality products from mines that operate at the lower end of the cost curve. In our case, Mina do Barroso is a robust project with low costs as can be seen from the figure below. Additionally, the project is located in the European setting where we are seeing strong investment interest.

Savannah's Mina do Barroso project is set to be a low cost spodumene operation:



During the balance of the year we expect to submit the project's Environmental Impact Assessment report for comment and approval by government and other stakeholders, complete the Definitive Feasibility Study, execute supply contracts with customers for our lithium concentrate and co-products, which are pre-requisites to securing the finance required to construct the mine. We also intend to expand our team to equip us with all the skills necessary to build and operate Portugal's first lithium focused mine. To date the work on the Definitive Feasibility Study has taken longer than originally expected as we incorporate key learnings from the Australian spodumene miners into our process flow sheet design and factor the Pinheiro discovery into the mining schedule.

We look forward to making further progress with the Mina do Barroso project in 2019 and in delivering beneficial outcome to our shareholders, our local communities and stakeholders and Portugal.

Mozambique – Mutamba Mineral Sands Project

Following the conclusion of the Consortium Agreement with Rio Tinto in late 2016, and the encouragement provided by the positive Scoping Study concluded in 2017 on the Consortium project, activity in 2018 was principally focused on shepherding the Mining Lease applications submitted at the beginning of the year through the governmental approval processes.

The process has been rigorous and extensive involving District and Provincial inputs and we remain hopeful based on recent discussions with the Ministry of Mineral Resources and Energy, that Mining Leases will be granted in coming months. No guarantees can be given, but if this proves correct, our Consortium with Rio Tinto will be on a firm footing from which to take the project through the pre-feasibility and feasibility stages and into anticipated production.

As outlined in the Chairman's Statement the market backdrop to our HMS project has continued to strengthen. The supply of high-grade mineral sands (ilmenite, rutile and zircon) in 2018 remained tight due to a combination of grade decline and production disruptions – and this has underpinned robust prices. Our joint venture partner, Rio Tinto, expects long-term demand growth to be solid at 3% per year, driven by growth in emerging economies. We are fortunate that in Rio Tinto we are partnered with the market's single largest participant.

Oman – Mahab and Maqail Copper Mines

As with Mozambique, our efforts have been focused on obtaining the necessary Mining Licences for the joint development of the Mahab 4 and Maqail South copper deposits on Block 5, applications for which were submitted in June 2016. We were pleased in May 2018 to receive the last (of the eight) ministerial letters of 'no objection' required for both projects. This final 'no objection', which followed the previous submission of all the other documentation required, should allow Oman's Public Authority for Mining ("PAM") to process and approve the Licence applications. Having recently provided additional information to PAM as part of its own approval process we are hopeful there will be a resolution in the coming months. We understand that the grant of mining licenses for both projects would be made under the newly announced mining law once fully implemented.

While we await definitive responses to our two mining licence applications, we demonstrated our commitment to the projects by completing a drill programme across two prospects which have the potential to provide further material to the central processing facility outlined in our licence applications. The drilling carried out in late 2018 identified narrow zones of copper mineralisation. The results are still being analysed and a further announcement will be made when the process has concluded.

In relation to Block 4, Savannah recently executed a deed of variation to extend the second capital contribution period in the earn-in agreement (to Al Thuraya Mining LLC) by eighteen months, from four years to five years and six months, thus Savannah has until May 2020 to earn a stake of 65%. Also, the renewal of the Block 4 exploration licence has been delayed due to claims by a party in respect of certain areas within Block 4. According to our legal advisers in Oman, the Group has the right to renew the Block 4 exploration licence area in full, without any exclusions.

After the frustrations caused by the continuing licencing-related delays, particularly in respect of the Block 5 mining licence applications in 2018, we hope that the mining licenses will issue and the exploration licences will renew. We will continue to engage with PAM and other key groups in Oman in a constructive and open manner to move the licencing processes forward. However, as the Chairman has stated, our Oman copper assets must now be deemed as a lower priority in our overall project portfolio given the success we have achieved in Portugal, and the scale of the opportunity available in Mozambique. Hence are conducting a strategic review in respect of the Oman assets to identify the best outcome for Savannah and its shareholders.

Summary

My thanks go to the Savannah staff for their efforts across all aspects of our business in 2018 and to our shareholders for their ongoing support.

We continue to take the Mina do Barroso Feasibility Study and the Environmental Impact Statement forward while intensive offtake and financing activities continue so that we will be in a position to make a Decision to Mine by the year-end.

Achieving all the goals we have set ourselves for 2019 means the year is likely to be even busier and more important for the company than 2018. We welcome that challenge and look forward to providing Savannah's shareholders with regular updates on our progress.

David S Archer
Chief Executive Officer
Date: 20 May 2019

Competent Person and Regulatory Information

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

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

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 £	2017 £
CONTINUING OPERATIONS		
Revenue	**-**	-
Administrative expenses	**(3,258,458)**	(2,835,684)
Impairment of intangible assets	**(140,024)**	-
OPERATING LOSS	**(3,398,482)**	(2,835,684)
Finance income	**17,321**	948
Finance costs	**-**	(7,549)
LOSS BEFORE AND AFTER TAX ATTRIBUTABLE TO EQUITY OWNERS OF THE PARENT	**(3,381,161)**	(2,842,285)
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	**(73,345)**	45,644
Items that will or may be reclassified to profit or loss:		
Exchange gains / (losses) arising on translation of foreign operations	**384,248**	(197,120)
OTHER COMPREHENSIVE INCOME FOR THE YEAR	**310,903**	(151,476)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO EQUITY OWNERS OF THE PARENT	**(3,070,258)**	(2,993,761)
Loss per share attributable to equity owners of the parent expressed in pence per share:		
Basic and diluted		
From Operations	**(0.44)**	(0.53)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	2018	2017
	£	£
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	**17,413,168**	9,809,994
Other intangible assets	**342,881**	-
Property, plant and equipment	**1,437,068**	1,196,084
Other receivables	**-**	239,300
Other non-current assets	**253,188**	220,213
TOTAL NON-CURRENT ASSETS	**19,446,305**	11,465,591
CURRENT ASSETS		
Investments	**18,007**	170,203
Trade and other receivables	**330,774**	155,959
Other current assets	**223,733**	20,011
Cash and cash equivalents	**7,715,435**	2,455,968
	8,287,949	2,802,141
Assets classified as held for sale	**-**	138,543
TOTAL CURRENT ASSETS	**8,287,949**	2,940,684
TOTAL ASSETS	**27,734,254**	14,406,275
EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Share capital	**8,814,518**	6,358,504
Share premium	**31,060,554**	18,105,108
Foreign currency reserve	**579,126**	194,878
Warrant reserve	**1,000,221**	1,405,958
Share based payment reserve	**508,051**	691,194
FVTOCI Reserve	**(58,737)**	-
Retained earnings	**(16,485,626)**	(13,612,758)
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**25,418,107**	13,142,884
LIABILITIES		
NON-CURRENT LIABILITIES		
Loans and borrowings	**25,813**	22,847
TOTAL NON-CURRENT LIABILITIES	**25,813**	22,847
CURRENT LIABILITIES		
Loans and borrowings	**16,895**	10,276
Trade and other payables	**2,273,439**	1,228,757
	2,290,334	1,239,033
Liabilities classified as held for sale	**-**	1,511
TOTAL CURRENT LIABILITIES	**2,290,334**	1,240,544
TOTAL LIABILITIES	**2,316,147**	1,263,391
TOTAL EQUITY AND LIABILITIES	**27,734,254**	14,406,275

The Financial Statements were approved by the Board of Directors on 20 May 2019 and were signed on its behalf by:

D S Archer
Chief Executive Officer

Company number: 07307107

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	2018	2017
	£	£
ASSETS		
NON-CURRENT ASSETS		
Investments in subsidiaries	**458,667**	342,883
Other intangible asset	**333,353**	-
Other receivables	**20,844,330**	13,699,270
Other non-current assets	**36,800**	19,035
TOTAL NON-CURRENT ASSETS	**21,673,150**	14,061,188
CURRENT ASSETS		
Investments	**17,225**	170,116
Trade and other receivables	**130,438**	44,841
Other current assets	**202,180**	-
Cash and cash equivalents	**7,368,469**	2,125,504
TOTAL CURRENT ASSETS	**7,718,312**	2,340,461
TOTAL ASSETS	**29,391,462**	16,401,649
EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Share capital	**8,814,518**	6,358,504
Share premium	**31,060,554**	18,105,108
Warrant reserve	**1,000,221**	1,405,958
Share based payment reserve	**508,051**	691,194
FVTOCI Reserve	**(58,737)**	-
Retained earnings	**(12,883,510)**	(10,502,403)
TOTAL EQUITY	**28,441,097**	16,058,361
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	**950,365**	343,288
TOTAL LIABILITIES	**950,365**	343,288
TOTAL EQUITY AND LIABILITIES	**29,391,462**	16,401,649

The Company total comprehensive loss for the financial year was £2,523,008 (2017: £1,886,723).

The Financial Statements were approved by the Board of Directors on 20 May 2019 and were signed on its behalf by:

D S Archer

Chief Executive Officer

Company number: 07307107

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Share capital £	Share premium £	Foreign currency reserve £	Warrant reserve £	Share based payment reserve £	FVTOCI reserve £	Retained earnings £	Total equity £
At January 2017	4,509,465	11,226,706	391,998	386,794	455,309	-	(10,900,327)	6,069,945
Loss for the year	-	-	-	-	-	-	(2,842,285)	(2,842,285)
Other comprehensive income	-	-	(197,120)	-	-	-	45,644	(151,476)
Total comprehensive income for the year	-	-	(197,120)	-	-	-	(2,796,641)	(2,993,761)
Issue of share capital (net of expenses)	1,849,039	7,897,566	-	-	-	-	-	9,746,605
Share based payment charges	-	-	-	-	320,095	-	-	320,095
Lapse of options	-	-	-	-	(84,210)	-	84,210	-
Issue of warrants	-	(1,019,164)	-	1,019,164	-	-	-	-
At 31 December 2017	6,358,504	18,105,108	194,878	1,405,958	691,194	-	(13,612,758)	13,142,884
Loss for the year	**-**	**-**	**-**	**-**	**-**	**-**	**(3,381,161)**	**(3,381,161)**
Other comprehensive income	**-**	**-**	**384,248**	**-**	**-**	**(58,737)**	**(14,608)**	**310,903**
Total comprehensive income for the year	**-**	**-**	**384,248**	**-**	**-**	**(58,737)**	**(3,395,769)**	**(3,070,258)**
Issue of share capital (net of expenses)	**2,056,014**	**12,967,604**	**-**	**-**	**-**	**-**	**-**	**15,023,618**
Contingent consideration	**-**	**-**	**-**	**-**	**283,283**	**-**	**-**	**283,283**
Contingent consideration shares issued	**400,000**	**-**	**-**	**-**	**(283,283)**	**-**	**(116,717)**	**-**
Share based payment charges	**-**	**-**	**-**	**-**	**38,580**	**-**	**-**	**38,580**
Exercised options	**-**	**-**	**-**	**-**	**(202,521)**	**-**	**202,521**	**-**
Lapse of options	**-**	**-**	**-**	**-**	**(19,202)**	**-**	**19,202**	**-**
Issue of warrants	**-**	**(12,158)**	**-**	**12,158**	**-**	**-**	**-**	**-**
Exercised warrants	**-**	**-**	**-**	**(326,755)**	**-**	**-**	**326,755**	**-**
Lapse of warrants	**-**	**-**	**-**	**(91,140)**	**-**	**-**	**91,140**	**-**
At 31 December 2018	**8,814,518**	**31,060,554**	**579,126**	**1,000,221**	**508,051**	**(58,737)**	**(16,485,626)**	**25,418,107**

The following describes the nature and purpose of each reserve within owners' equity:

Reserve	**Description and purpose**
Share capital	Amounts subscribed for share capital at nominal value.
Share premium	Amounts subscribed for share capital in excess of nominal value less costs of fundraising.
Foreign currency reserve	Gains/losses arising on retranslating the net assets of group operations into Pound Sterling.
Warrant reserve	Fair value of the warrants issued.
Share based payment reserve	Represents the accumulated balance of share based payment charges recognised in respect of 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.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Share capital £	Share premium £	Warrant reserve £	Share based payment reserve £	FVTOCI reserve £	Retained earnings £	Total equity £
At 1 January 2017	4,509,465	11,226,706	386,794	455,309	-	(8,699,890)	7,878,384
Loss for the year	-	-	-	-	-	(1,932,367)	(1,932,367)
Other comprehensive income	-	-	-	-	-	45,644	45,644
Total comprehensive income for the year	-	-	-	-	-	(1,886,723)	(1,886,723)
Issue of share capital (net of expenses)	1,849,039	7,897,566	-	-	-	-	9,746,605
Share based payment charges	-	-	-	320,095	-	-	320,095
Lapse of options	-	-	-	(84,210)	-	84,210	-
Issue of warrants	-	(1,019,164)	1,019,164	-	-	-	-
At 31 December 2017	6,358,504	18,105,108	1,405,958	691,194	-	(10,502,403)	16,058,361
Change in accounting policy – IFRS 9	**-**	**-**	**-**	**-**	**-**	**(556,454)**	**(556,454)**
At 1 January 2018	**6,358,504**	**18,105,108**	**1,405,958**	**691,194**	**-**	**(11,058,857)**	**15,501,907**
Loss for the year	**-**	**-**	**-**	**-**	**-**	**(2,449,663)**	**(2,449,663)**
Other comprehensive income	**-**	**-**	**-**	**-**	**(58,737)**	**(14,608)**	**(73,345)**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**(58,737)**	**(2,464,271)**	**(2,523,008)**
Issue of share capital (net of expenses)	**2,056,014**	**12,967,604**	**-**	**-**	**-**	**-**	**15,023,618**
Shares issued	**400,000**	**-**	**-**	**-**	**-**	**-**	**400,000**
Share based payment charges	**-**	**-**	**-**	**38,580**	**-**	**-**	**38,580**
Exercised options	**-**	**-**	**-**	**(202,521)**	**-**	**202,521**	**-**
Lapse of options	**-**	**-**	**-**	**(19,202)**	**-**	**19,202**	**-**
Issue of warrants	**-**	**(12,158)**	**12,158**	**-**	**-**	**-**	**-**
Exercised warrants	**-**	**-**	**(326,755)**	**-**	**-**	**326,755**	**-**
Lapse of warrants	**-**	**-**	**(91,140)**	**-**	**-**	**91,140**	**-**
At 31 December 2018	**8,814,518**	**31,060,554**	**1,000,221**	**508,051**	**(58,737)**	**(12,883,510)**	**28,441,097**

The following describes the nature and purpose of each reserve within owners' equity:

Reserve	**Description and purpose**
Share capital	Amounts subscribed for share capital at nominal value.
Share premium	Amounts subscribed for share capital in excess of nominal value less costs of fundraising.
Warrant reserve	Fair value of the warrants issued.
Share based payment reserve	Represents the accumulated balance of share based payment charges recognised in respect of 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.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	£	£
Cash flows used in operating activities		
Loss for the year	**(3,381,162)**	(2,842,285)
Depreciation and amortisation charges	**31,194**	14,895
Impairment of assets	**140,024**	-
Share based payment charge	**38,580**	320,095
Shares issued in lieu of payments to extinguish liabilities	**-**	98,630
Finance income	**(17,321)**	(948)
Finance expense	**-**	7,549
Exchange (gains) / losses	**(54,076)**	75,156
Cash flow from operating activities before changes in working capital	**(3,242,761)**	(2,326,908)
Increase in trade and other receivables	**(179,376)**	(71,288)
Increase in trade and other payables	**562,925**	39,620
Net cash used in operating activities	**(2,859,212)**	(2,358,576)
Cash flow used in investing activities		
Purchase of intangible exploration assets	**(6,317,118)**	(3,276,715)
Purchase of other intangible assets	**(131,173)**	-
Purchase of tangible fixed assets	**(328,768)**	(1,069,056)
Purchase of investments	**(695)**	(87)
Proceeds from sale of investments	**104,461**	-
Payments for guarantees for mining activity	**-**	(199,755)
Guarantees for acquisition of intangible exploration assets	**(202,180)**	-
Interest received	**17,321**	948
Net cash used in investing activities	**(6,858,152)**	(4,544,665)
Cash flow from financing activities		
Interest paid	**-**	(7,549)
Proceeds from issues of ordinary shares (net of expenses)	**14,986,546**	8,257,418
Net cash from financing activities	**14,986,546**	8,249,869
Increase in cash and cash equivalents	**5,269,182**	1,346,628
Cash and cash equivalents at beginning of year	**2,455,968**	1,172,347
Exchange losses on cash and cash equivalents	**(9,715)**	(63,007)
Cash and cash equivalents at end of year	**7,715,435**	2,455,968

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	£	£
Cash flows used in operating activities		
Loss for the year	**(2,449,736)**	(1,932,367)
Impairment of financial assets	**1,325,790**	
Share based payment reserve charge	**38,580**	320,095
Shares issued in lieu of payments to extinguish liabilities	**-**	98,630
Finance income	**(17,321)**	(948)
Finance expense	**-**	4,348
Exchange (gains) / losses	**(628,473)**	75,156
Cash flow from operating activities before changes in working capital	**(1,731,160)**	(1,435,086)
Increase in trade and other receivables	**(103,289)**	(21,078)
Increase in trade and other payables	**477,736**	44,228
Net cash used in operating activities	**(1,356,713)**	(1,411,936)
Cash flow used in investing activities		
Investment in subsidiaries	**(115,784)**	(51,643)
Loans to subsidiaries	**(8,049,798)**	(5,631,693)
Purchase of other intangible assets	**(131,173)**	-
Guarantees for acquisition of intangible exploration assets	**(202,180)**	-
Proceeds from sale of investments	**104,461**	-
Interest received	**17,321**	948
Net cash used in investing activities	**(8,377,153)**	(5,682,388)
Cash flow from financing activities		
Interest paid	**-**	(4,348)
Proceeds from issues of ordinary shares	**14,986,546**	8,257,418
Net cash from financing activities	**14,986,546**	8,253,070
Increase in cash and cash equivalents	**5,252,680**	1,158,746
Cash and cash equivalents at beginning of year	**2,125,504**	1,029,765
Exchange losses on cash and cash equivalents	**(9,715)**	(63,007)
Cash and cash equivalents at end of year	**7,368,469**	2,125,504

****ENDS****