

SAVANNAH

SAVANNAH RESOURCES PLC

Company No 07307107

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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COMPANY AT A GLANCE

Company overview and evolution

Savannah Resources is a natural resource development company listed on the Alternative Investment Market (AIM) of the London Stock Exchange. The Company is committed to developing and maintaining a culture of integrity, social responsibility, environmental awareness and protection, and good governance in the conduct of its business.

Since being established in 2010, the Company has owned, progressed and divested several projects in differing commodities and geographies but its sole focus is now the Barroso Lithium Project in Portugal (the 'Project', the 'BLP'). This Project, with first production targeted for 2026, has the potential to become a significant component of Europe's new lithium battery value chain.

This new value chain is being championed by the European Commission as an integral part of the bloc's energy transition strategy as it looks to become less dependent on external sources of raw materials and technology and create an economy with net-zero production of greenhouse gas emissions as part of its efforts to tackle climate change. Through the EU's 2023 Critical Raw Materials Act, legislators have set a target of at least 10% of Europe's demand for critical raw materials, such as lithium, to be sourced from domestic supply from 2030. The Barroso Lithium Project can safely and responsibly produce enough lithium raw material for approximately 0.5 million vehicle battery packs per year (3.1m plug-in electric vehicles were sold in Europe in 2023).

The Project was originally granted a 30-year Mining Lease in 2006 and lithium, feldspar and quartz mineralisation had already been identified when Savannah initially acquired a 75% stake in 2017. However, no comprehensive exploration and drilling programme had been undertaken. Since that time Savannah has completed over 35,000m of drilling as part of an extensive evaluation programme on the Project, which has also included two Scoping Studies (2018 and 2023). The Company also moved to 100% ownership of the Project in 2019. Through Savannah's evaluation work, and with the addition of an adjacent 3-block Mining Lease application area to the Project, the Barroso Lithium Project now contains the largest spodumene lithium resource in Europe with a current JORC 2012 compliant Resource of 28Mt at 1.05% Li₂O (equivalent to 725,521t of lithium carbonate).

The fact that Savannah's project bears spodumene mineralisation is important as this lithium-bearing mineral is responsible for making Australia the single largest producer of lithium raw material in the world. Hence, safe and responsible mining and processing of spodumene, are well-established industrial practices. Savannah has applied this industry knowledge to its own development plans for the Barroso Lithium Project so that its impact on the natural environmental and local communities is minimised and all relevant Portuguese and European regulations are met or exceeded.

After an exhaustive three-year process, which included two extended periods of public consultation, the Project was awarded a positive environmental impact declaration with conditions by the Portuguese environmental regulator in May 2023. The approved design for the Project features numerous measures to minimise its impact. Examples of these include, an innovative water system combining onsite collection with significant recycling which allows the Project to be self-sustaining for its water needs, the comprehensive rehabilitation of all impacted land and water courses, and a new road which will keep project-related traffic out of local villages and towns.

Importantly, the June 2023 Scoping Study which was based on this approved design showed the Project's economic capacity to absorb the additional costs associated with this minimal impact approach. Based on production of just under 200,000t of spodumene concentrate per year, the Project would generate an average annual EBITDA of USD205m and net free cash flow of USD124m. Overall, a post-tax Net Present Value ('NPV') of USD953m was generated alongside an Internal Rate of Return ('IRR') of 77% and a payback period of just 1.3 years.

Savannah is currently completing a Definitive Feasibility Study ('DFS') on the Project as well as completing the compliance phase of the environmental licencing process. It expects to have the DFS completed by the end of 2024 followed shortly after by the completion of the compliance phase of the environmental licencing process. Savannah also expects to have completed the Strategic Partnering Process it is running to identify partners to assist with the financing and development of the Project later this year. Based on its current timetable, Savannah expects to begin construction in 2025 and be commissioning the Project in 2026.

COMPANY AT A GLANCE

Alongside the significant returns the Project could generate for Savannah's shareholders, it would also generate over USD900m in taxes and royalties to be shared between the local authority and Portuguese Government. This is one of a number of socio-economic benefits that Savannah's Project can generate for its stakeholders in the future, but the Company has been actively engaged with local stakeholders since it first became involved with the Project in 2017. This has included supporting local organisations, working with local businesses and employing local people. Once in production, the Project's socio-economic impact will be significantly scaled up with 350 direct jobs generated, key infrastructure such as a new road to be shared with the local population, and far greater financial resources committed to supporting community initiatives and education.

Savannah at a Glance

- Experienced: Nearly 15 years as a listed mineral exploration & development company
- Focused: Pure play lithium development company
- European: set to become a key domestic raw material supplier to Europe's new lithium battery value chain
- Regionally significant: 100% owner of the Barroso Lithium Project, Europe's largest spodumene resource with significant exploration upside already identified on the Mining Lease
- Advanced: 30-year Mining Lease awarded in 2006, key environmental licencing approval received in 2023 after thorough process

- Low-risk: Conventional production techniques based on long-established Australian lithium industry; In Portugal, an EU member state, and operating under UK law and London Stock Exchange compliance & controls
- Economically attractive: Annual production sufficient for approximately 500,000 EV battery packs/year; Additional production (up to 400kt/y) of a feldspar-quartz product for Iberia's ceramics & glass industries; Post-tax Net Present Value of USD953m, IRR of 77% and payback of 1.3 years, hundreds of jobs created and hundreds of millions of Euros generated in taxes and royalties for Portugal
- Relevant: Fulfils the 2023 European Critical Raw Materials Act targets for domestic production of the lithium raw material
- Environmentally & socially responsible: Project designed to minimise impact on the natural environment and local communities, while generating and sharing significant social and economic benefits with stakeholders
- Progressing: Targeting production before end 2026, in time to respond to peak market demand growth & anticipated shortage
- Capable: Full-fledged team with 6 international Non-Executive Directors ('NEDs') on Board, 3 C-levels covering key work areas, engineering team in Australia, financial team in the UK, on-the-ground team of seasoned Portuguese professionals

Further information is available on the Company's website at www.savannahresources.com.

Sunset over the Barroso Lithium Project:



Source: Company

CHAIRMAN'S STATEMENT

Keeping the big picture in sight

After a challenging end to 2023 for the Company, which came on top of a challenging year for the whole lithium sector, I am very pleased to have this opportunity to reiterate to shareholders the significant progress that the Company made in the period, and to outline the Company's ambition for 2024 and beyond.

The market backdrop for our business remains very positive. The energy transition is taking place at a rapid pace and we are now in a period of intense political and commercial competition as countries and companies look to secure market share within this new industrial sector.

For example, the International Energy Agency reports that in 2023, global renewable energy capacity increased by nearly 50% to 510GW, of which approximately 75% was solar PV. This was the 22nd consecutive year of growth and the fastest growth rate in the past two decades. The statistics for sales of electric vehicles (EVs) also remain robust. EV-volumes.com report 14.2m plug-in vehicles were sold globally last year, representing approximately 16% all new vehicles sold. This included just over 3m in Europe, where the EV market share of new sales is over 20%. Global sales of that quantum represent a 33% increase over 2022. Though year-on-year sales growth has slowed (+55% during 2022) I don't believe 2023's growth rate could ever be regarded as representing a market in difficulty. Indeed, it appears that the EV market has remained remarkably buoyant given the macroeconomic and political stresses that have been placed on the global economy during the year by rising interest rates, the ongoing war in Ukraine and, more recently, the conflict in Gaza and the resulting instability in the Middle East.

Furthermore, we should not forget the highly supportive policies and associated financial packages put in place by many major governments to execute the transition, address the worst impacts of climate change, and to prepare their economies for a carbon-neutral future. For example, the United States' 2022 Inflation Reduction Act includes nearly USD400bn in federal funding for clean energy with the goal of substantially lowering the nation's carbon emissions by 2030. The European Commission's 2023 Green Deal Industrial Plan, designed to enhance the competitiveness of Europe's net-zero industry and accelerate the transition to climate neutrality, could offer over EUR600bn in investment over a range of funding packages. Japan's green

transformation plans aim to raise up to JPY 20 trillion (approximately EUR140 billion) through "green transition" bonds and China's announced investment in clean technologies exceeds USD280bn.

Overall, I think these statistics leave little room but to conclude that the energy transition is very much alive.

The economic and geopolitical turmoil of 2023 is not the only factor which caused the falls in the price of lithium during the year. Another factor, which has become apparent only with hindsight, is the nature of the buying out of China which took place during 2021 and 2022. While this helped fulfil demand and lifted the spodumene price by approximately 2,000% in tight market conditions, it was also being partially used to create an inventory of products right along the battery value chain. During 2023, this inventory of products was worked down meaning demand for lithium raw materials was reduced, just at a time when a number of lithium mining projects increased production or came online for the first time. The result was excess raw material in the market and an 80%+ fall in lithium prices during the year. This downward trend continued into 2024, eventually triggering a supply side response with several operations, including the world's biggest spodumene mine, Greenbushes in Australia, reducing production. Fortunately, the downward price trend appears to have abated with a modest improvement in prices seen since late February 2024 as inventory levels along the battery value chain run low and China becomes active again after its New Year holiday.

An 80% fall in prices is clearly material but it is still worth remembering that the USD1150/t price for spodumene we have today is more than three times those seen in late 2020 and nearly 68% higher than the average price used in our 2018 Scoping Study.

As one would expect, market analysts have lowered their short to medium price forecast for lithium products following this correction. However, what is important to note for Savannah given our proposed commissioning target in 2026, is that long term pricing and the expectation of a shortfall in supply against ongoing demand growth remains in place. While our Project remains economically viable at price levels much below those seen currently, the long-term lithium market dynamics remain very supportive for Savannah, with long-term price expectations well above today's level. Furthermore, this comes on top of the strategic target

CHAIRMAN'S STATEMENT

Europe has set itself of meeting at least 10% of domestic demand from local supply by 2030 as outlined in last year's Critical Raw Material Act. This further supports our Project's development. The real challenge, as has always been the case, is not the lithium market dynamic but to secure all the building blocks – finance, partners, licences, etc. that we need to get to production.

Unfortunately, for lithium sector investors the unpredictability and volatility in this small volume commodity market (lithium global demand was approximately 900kt LCE in 2023 vs. Iron ore at 2.2Bt+pa) will be with us going forward. Nonetheless, the fundamentals are supportive and I am confident we remain on a path towards substantial value creation.

Savannah's key successes in 2023

Turning to Savannah specifically, the Company made great progress during 2023, the very significant value of which, I believe will be fully appreciated again in a more upbeat lithium market than we have today. Our key achievements during the year are summarised below.

The DIA underpins everything

The re-submission of the Project's Environmental Impact Assessment ('EIA') and subsequent positive decision ('DIA') by the Portuguese Environment Agency ('APA') as the culmination of the 'Article 16' process we had entered in July 2022, was the dominant theme for the first five months of the year. My thanks again go to our technical team, led by Dale Ferguson, and all our expert consultants who worked so hard to produce such an innovative design and operating plan for the Project which was able to satisfy the very exacting demands of APA, members of its evaluation committee and other stakeholders. To be the first lithium project in Portugal to receive a positive DIA decision from the regulator was a great achievement for Savannah, and provided the foundation and impetus which allowed us to move forward with many other key aspects of the Project since last Spring.

The Scoping Study proved the new business case

With the DIA in hand, last June and July were an extremely busy and productive period for the Company. June's Scoping Study, the first economic study on the Project in five years, included all the elements of the DIA compliant design and demonstrated that the new Project can have very attractive economics (Post-tax NPV USD953m or 41p/share) even with approximately USD150m of combined capex and opex dedicated to

further reducing the environmental and social impact of the Project.

Additional capital allowed us to advance with confidence
Buoyed by the DIA and the new Scoping Study, Savannah was then keen to accelerate the Definitive Feasibility Study and the compliance phase ('RECAPE') of the environmental licencing process. To do this additional finance was required, and a successful GBP6.5m (gross) fundraise was completed in challenging market conditions in early July at 4.67p/share, par with the market price. As part of the fundraise we were pleased to receive the support of a number of existing shareholders, including our two largest, Al Marjan and Slipstream Resources, and members of the Board and Management. We also welcomed new sector specialist institutional investors and new private shareholders as we built a treasury of over GBP11m. This allowed us to undertake work on the DFS and the RECAPE, with confidence and to take on new members of staff in key positions as we build towards production.

Appointment of new Chief Executive Officer ('CEO')

In September, we were delighted to welcome Emanuel Proença as our new CEO, with Dale Ferguson resuming his previous role as Technical Director. Emanuel joins Savannah from Prio Group, which is the largest producer and supplier of biofuels in Portugal and where, as CEO of 'Prio Supply', he grew EBITDA by 20 times in 6 years. Hence, he has developed skills in managing a rapidly growing business, which are highly transferable to Savannah, as are his existing relations with industry regulators, commercial partners in the energy sector, and service providers as well as his knowledge of Portuguese Government processes. He also has a strong record of maintaining a constructive rapport with local communities and other stakeholders. Equally important, as Savannah's first Portuguese CEO, Emanuel's appointment underlines Savannah's commitment to Portugal and the Project, and brings a fresh focus and immediacy to our efforts as we look to develop Savannah's brand as an important, responsible and successful business in Portugal. Emanuel will be appointed to the Board in April 2024.

Partnerships can make us stronger

Shareholders will be aware that commercial interest in the Project and its spodumene lithium offtake has been strong for a number of years and increased significantly following the DIA approval and publication of a new

CHAIRMAN'S STATEMENT

Scoping Study in 2023. To quantify the commercial interest received, the Company initiated an orderly Strategic Partnering Process ('SPP' or the 'Process') in July, in which interested parties were invited to submit proposals outlining how they could assist Savannah with financing the Project's development as part of a long-term commercial relationship with the Company. Due to the high number of positive responses received from a wide range of groups, in November we appointed Barclays Bank Plc and Barrenjoey Advisory Pty Limited ('Barclays and Barrenjoey') as joint financial advisers to lead on the Process. Following completion of the first phase of the exercise, the Process is now focused on engaging with a shortlist of potential partners both willing and able to assist with the Project's future development and financing, and which also bring complementary skills or additional opportunities to Savannah.

Savannah's key challenges during the year

Despite the many achievements listed above, we have had to contend with persistent negative media coverage of the Project, principally instigated by a small group of individuals from the local area. This was compounded by the announcement of the so-called 'Operation Influencer' investigation by the Portuguese Public Prosecutor in November 2023.

Stakeholder engagement

With the DIA received and the appointment of our new Portuguese CEO, we have further increased the intensity of our stakeholder engagement activities. The EIA captured the significant changes being proposed to the Project and additional explanation has been provided to local stakeholders at all levels via formal and informal meetings. We are dedicated to being 'present' locally, explaining the Project to people, hearing their views and building relationships. Pleasingly this does seem to be starting to have a positive impact. This can be demonstrated by the increasingly strong relationships we have with some local people and businesses, our increasing number of local employees, the regular inquiries we receive at our Information Centre in Boticas about work opportunities and services that Savannah might need. We also have some local people who are willing to speak to the media about the merits of the Project. Our consultants, Community Insights Group ('CIG'), have also conducted around 400 interviews with local residents to gauge their views on the Project and feed this data into the ongoing Social Impact Assessment study.

Regrettably, it is difficult for shareholders monitoring the Project through the media to appreciate this. We have always recognised that not everyone views the development of the Barroso Lithium Project positively. With the award of the DIA significantly increasing the likelihood of the Project's future development, it was always to be expected that those against the development would increase and intensify their opposition. They appreciate the significant advancement which the positive decision by the country's regulator represents for the Project. The additional legal cases that have been brought in relation to the Project, which Savannah believes are without foundation, coupled with the increased stream of negative media coverage in the second half of the year are a cause for ongoing frustration. However, we will continue to communicate the positive benefits of our project for the local community, Portugal and indeed Europe as a whole, and our efforts to minimise any and all negative impacts it may have. Our project can represent the foundation of a new industry for Portugal, and provide a new, long-term economic anchor for the Boticas municipality via millions of euros in taxes and royalties (thereby providing sustained financial support for community-led initiatives), whilst also creating hundreds of direct and indirect jobs.

Operation Influencer

The initiation of Operation Influencer by the Portuguese Public Prosecutor in November has had a significant impact on the Company's brand but it has not stopped us working for a minute. However, we took proactive steps, announced in January 2024 and reiterated below, to clarify the Company's position and re-establish confidence.

On 7 November 2023 the Portuguese Public Prosecutor's Office announced publicly the existence of 'Operation Influencer' (the 'Investigation'), an inquiry into possible corruption, undue influence, malfeasance and other wrongdoings in relation to the Sines 4.0 data centre project and H2Sines hydrogen project, both in the southern port city of Sines, the Romano lithium mine in Montalegre, and the Barroso mine (the Barroso Lithium Project) in Boticas. Savannah cooperated fully with the authorities on that day when some of our premises were visited, but none of our staff were arrested (5 arrests were made in total) or named as 'arguido' under formal investigation. Since then, the Company has been free to continue with all its business activities unencumbered. On 21 December 2023, the PPO announced that the

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Investigation was being split into three separate investigations (by industry), with one now covering the two lithium projects. Savannah can confirm that it has no relationship with the other lithium project involved.

On 30 January 2024, Savannah announced the conclusions from an independent legal review (the 'Independent Review') and legal opinions (the 'Legal Opinions') which it commissioned following the announcement of the Operation Influencer investigation. In summary, the Independent Review found no evidence which would give rise to liability of the Company in connection with any irregular financial transactions by the Company. It also found no evidence of improper offers, improper payments, or other forms of wrongdoing by the Company regarding the suspicions set out in the Investigation associated with: past relations with a potential partner, discussions on the by-pass road, royalties, or in relation to interactions with national entities in the EIA process under Article 16. No material legal risk was identified related to the alleged facts and circumstances outlined in the Investigation.

Separate Legal Opinions also confirmed that, based on the findings of the Independent Review, but also on the functioning of the Portuguese permitting process, past legal experience, and constitutional protections, under no realistic circumstance would the Project's execution and its expected future cash flows be at risk from the Investigation's findings.

Hence, the conclusions of the Independent Review and the Legal Opinions demonstrated Savannah's solid legal position in relation to the alleged facts and circumstances contained in Operation Influencer.

Based on past similar cases, the timeline for next steps is uncertain and likely to be long, and a formal clearing or accusation is not expected in the near term.

Building a team for the future

In addition to the appointment of Emanuel Proença as CEO, the Company also welcomed two new Non-Executive Directors. Bruce Griffin joined as an Independent Non-Executive Director, while Mohamed Sulaiman joined as Non-Executive Director, replacing the retiring Imad Sultan (Non-Executive Director since July 2016) as the Board representative of Savannah's largest shareholder, Al Marjan.

Bruce Griffin brings over 20 years of mining sector experience to Savannah's Board and is currently

Executive Chair of ASX-listed Sheffield Resources, which has recently built and commissioned its 10Mtpa Thunderbird minerals sands project in Australia. Mohamed Sulaiman is Head of Strategy at the Omani conglomerate business, WJ Towell Group, and previously led Strategy and Performance at OQ, the Omani energy company. He has significant experience on the boards of both public and private companies, and in the energy sector. The pair have been a great addition to our board and I look forward to their continuing contribution.

Very sadly, just a few days after these new appointments, we were sorry to learn of the passing of our friend and much-respected Non-Executive Director, Manohar Shenoy. Manohar, who was Chairman of the Board's Audit and Risk Committee first joined Savannah's Board in 2016 as an alternate Director for one of the nominees of Al Marjan and became a Non-Executive Director in his own right in April 2022. During his lengthy time with Savannah, Manohar made many valuable contributions and his insightful input and friendly demeanour is greatly missed.

Finally, and on a happier note, we have also been pleased to add to our technical, communication and community liaison teams over recent months. It has been particularly pleasing for me that a number of these recruits have come from the local area.

Financial Overview

With the receipt of the positive DIA decision and the publication of the Scoping Study, in order to confidently progress the DFS the Company completed a GBP6.5m gross fundraise providing a pro-forma cash balance of GBP11.4m in July. With continued investment in its asset base in Portugal during the remainder of the year (GBP2.3m in total; 2022: GBP2.6m), combined with the expansion of its team and the launch of its Strategic Partnering Process to evaluate the options for the financing of the Project's development, the Group ended the year with an available cash position of GBP9.0m. Hence, our opening cash position for 2024 allows us to progress the DFS and RECAPE.

In terms of the broader financial performance, Savannah recorded a loss from continuing operations of GBP3.5m (2022: GBP2.7m). Administration fees for 2023 amounting to GBP3.5m were in line with 2022 cost of GBP3.5m. However, H2 2023 Administration fees were GBP0.7m (50%) higher than the cost in H1 2023. This resulted from the increase in activities after the receipt

CHAIRMAN'S STATEMENT

of the positive DIA decision, and from investments in both the appointment of a CEO and clarifying the Company's position and re-establishing confidence by demonstrating a solid legal position in relation to the alleged facts and circumstances contained in Operation Influencer.

Outlook

The many strands of this important project are beginning to come together. As we stand today, the completion of the DFS and the environmental licencing processes are in sight, and we already have the Mining Lease we need. Strategic partnerships and associated financings are also achievable in the near-term and we have options available to us to secure the land we need to develop the Project. There are many individual Portuguese who would like to participate in the lithium battery value chain which is developing in their country, including our Project. This has allowed us to grow our team with highly skilled individuals and build relationships with many other businesses, trade bodies and potential investors. Furthermore, all this is now being done against a supportive European political backdrop, which is calling for meaningful domestic production of critical raw materials by 2030. Hence, I believe we can move forward with confidence acknowledging that, while the lithium market will remain volatile and that many challenges lie ahead, the long-term situation will be in our favour.

By achieving our goals, the Barroso Lithium Project can generate a significant amount of financial and social benefit for all its stakeholders, including our shareholders, and provide society with one of the critical raw materials it needs to combat climate change and develop a net-zero carbon economy suitable for the future.

To make this happen much more work is required from our team and all our service providers and I thank them for their significant efforts made to date and their efforts yet to come. Our success also relies on the continued support of our shareholders whom I also thank for their commitment to sharing Savannah's goal of becoming a major player in Europe's new lithium battery chain.

Matthew King
Chairman

Date: 12 April 2024

CHIEF EXECUTIVE'S REPORT

I was delighted to join the Savannah team in September to play my part in the development of the Barroso Lithium Project. I see the Project as a unique opportunity for Portugal to become a very significant player in a new, future facing, industry.

As key decision makers in Portugal have often pointed out, the country must not hesitate to take advantage of the unique opportunity presented by its hardrock reserves of lithium, which are the largest in Europe. These reserves grant Portugal the chance to take a leading role in the region's energy transition. I firmly believe that by responsibly developing this new industry, including the lithium resources at the Barroso Lithium Project, we can bring meaningful benefits to the Portuguese national economy, its local economies and to individual stakeholders in projects, such as local people and company shareholders, such as Savannah's.

The success or failure of our society to deliver the energy transition and a net-zero global economy will have a direct impact on all our lives in the coming decades. Hence, I'm very keen to do what I can to combat the worsening effects of climate change and I am humbled by the opportunity to do it through a project of unmatched size and opportunity, alongside a great team of professionals.

As this is the first of what I hope will be many CEO reports I will write for Savannah, I thought I would take this opportunity to layout my observations since joining the Company seven months ago, and highlight the areas that I will be focusing on to take our Project forward.

Observations:

1. **The quality of our project gives us an excellent opportunity:** The natural parameters of the Project including its scale, location, and conventional spodumene lithium mineralisation, make it a very significant lithium asset. These parameters also make it an ideal development project for a company like Savannah. It has also shown its economic robustness by being able to bear the additional costs associated with the very comprehensive design elements required to minimise its environmental and social impact, and gain the final approval from the regulator – making this a project that responds to the most stringent European standards. Furthermore, as we have shown throughout our time working on the Project, there is huge mineral potential on the Mining Lease beyond the current limits of the orebodies defined to date.

2. **We have a great team:** Savannah is fortunate to have highly capable and very dedicated staff, who work together extremely well, often under testing circumstances. As my appointment and the other appointments we have made recently show, there is a commitment to not only grow the team but to take on and empower Portuguese nationals, reflecting the importance of the Portuguese project to the Company. Equally, we understand that to achieve all our goals, including best practice at the Project, we must utilise skills and knowledge which we can't find in Portugal today, and our staff demographics will always reflect that.

3. **The Project is 'achievable':** Given the highly strategic nature of the asset, people are often surprised that the capex, including nearly 20% contingency is only approximately USD280m. In reality, a project processing 1.5Mtpa is not large by industry standards. While that is still a significant sum, it is very modest when compared to the capital expenditure required to build lithium chemical plants (refineries) or integrated projects which feature both a mine and a chemical plant, or even alternative mining projects in lithium or other commodities. Furthermore, it should be a sum which Savannah can secure. Despite the significant fall in the lithium price during 2023, this sector still has strong potential for corporate transactions and sustained interest from investors. Industry participants understand the value of future, long term, supply from low-risk projects in stable jurisdictions. The Barroso Lithium Project offers these features, and Savannah should feel confident that financing solutions will be found and that more of the Project's value will be recognised in our share price in the future.

Through our Strategic Partnership Process we expect to generate value for our shareholders by identifying industry groups which appreciate the strategic advantages of assisting Savannah with the Project's financing. We are also investigating the latest opportunities for public funding which may be available following the additional focus placed on the domestic production of 'Critical' and 'Strategic' raw materials by the recent approval of the new Critical Raw Materials Act by the European Parliament.

CHIEF EXECUTIVE'S REPORT

- 4. We have a strong mandate for development:** The award of the DIA by the environmental regulator was a huge step forward for the Project. While there is much work still ahead in the remainder of the year to complete the current RECAPE, or compliance, phase of the environmental licencing process, the DIA's positive impact on the probability of the Project's development should not be underestimated. In combination with the existing 30-year Mining Lease, as well as the positive stance of the major political parties in Portugal towards development of a domestic lithium industry, we have a good foundation from which to move forward with confidence.
- 5. Misunderstandings regarding the Company's brand:** The combination of the Project's extended development timeline, confusion over the licencing process in Portugal, spurious legal actions brought in relation to the Project, persistent negative press coverage often instigated by anti-mine campaigners, and the Operation Influencer investigation, have all contributed to severely impact Savannah's brand. This has created challenges in many aspects of our business which in turn slow our rate of progress and undermines the real value of our asset. This perception doesn't match the reality of a project that is in so many aspects good for everyone. I am, as is everyone in the team, proud to support and defend the merits of Savannah's project. Transmitting that pride to the public will certainly help turn the tide.

My current focus and future actions

- 1. On project development:** I agree with the clear message I have received from shareholders and advisers that 'delivery' of the Project and all the various milestones along the way is our best opportunity to distil greater value in our share price. I trust shareholders will appreciate from our announcements over the last few months, we are progressing the Project as quickly as we can to a Final Investment Decision. I am working closely with our technical team, under the leadership of Dale Ferguson, to ensure they have all they need to maintain progress. If we can remain on track with our activity and funding plans we should complete the Definitive Feasibility Study by the end of the year and the RECAPE phase of the environmental licencing process shortly afterwards. While the technical team goes about its work, I and others in the team are focusing on securing the external inputs we need to complete the DFS and secure the environmental licence. This includes regular liaison with government departments and agencies, reviewing our financing options, and securing the land access required.

On land access, I support a strategy, defended many times by Savannah in the past, focused on prioritizing the purchase of land, or the striking of access agreements on the land we need for the Project with the relevant private landowners or Baldios groups which manage the land on behalf of the community. Generous offers have been made,

Drilling during the first phase of the 2023/24 programme:



Source: Company

CHIEF EXECUTIVE'S REPORT

and agreements have now been reached for 100 parcels of land. We will continue to pursue this strategy when possible, but at the same time start to use the rights granted under the Portuguese legal system to secure the land we need in a timely manner when amicable agreements are not possible or are taking too long.

- 2. On team building:** While I identified above that Savannah had an excellent team, it is also a relatively small team and as we move forward and grow, we must take on more staff and add key skills to the group. You will have read in the Chairman's report about the additional Non-Executive Directors who joined at the same time, but since summer 2023 we have doubled Savannah's operational team in Portugal. The majority of new staff have joined the technical team to assist with the drilling programme and field work we started in October to provide important data for the DFS and RECAPE. Pleasingly, ten members of staff are inhabitants of the local area. In addition, as the Chairman highlighted, we have also recruited high quality individuals to take up roles including Community Relations Manager, Communications Manager, and Communications Assistant. Our 'owner's team' has also expanded with more consultants engaged in relation to the DFS and RECAPE. I believe our recent recruitment activities tells shareholders much about the areas I believe we need to focus on to ensure the Project moves forward efficiently.

Looking ahead, we will continue to add to the team as appropriate and always while being mindful of our cash resources. Furthermore, I have been delighted by the steady flow of inquiries we have had at our information centre and through the website regarding future employment. There really is growing interest in working for Savannah.

- 3. On achieving the achievable project:** To make this project a reality we must take it to a point where we can raise the capital required to build it. To get there, we must first complete the licencing process, confirm definitively the economic case for the Project, secure the land we need, build our own team and a suite of capable service providers, and identify partners and/or customers who share our

vision and see the strategic value in this asset and its products. Pleasingly, all these workstreams are in hand including the Strategic Partnering Process, and I will work to ensure they are all completed. As we reported recently, our Strategic Partnering Process has now reached the second stage and we are engaging with a shortlist of counterparties. The team and I will continue to engage with these groups, and with the assistance of our advisers, hope to be able to structure a transaction which underpins the Project's development. At the same time, we will continue to assess various sources of public funding which are potentially available to the Project, to make sure Savannah has multiple financing options available to it.

- 4. On using our mandate for development:** I think the Barroso Lithium Project represents an extremely valuable and important opportunity for Portugal. Furthermore, we have been given formal approval for the Project through a lengthy and comprehensive licencing process which featured two extended periods of public consultation in 2021 and 2023, which we welcomed. Encouragingly, there are many, including the new government and the other major political parties, academics, industrialists, and members of the public, who agree with me and want to see the Project responsibly developed and operated to establish Portugal in the lithium battery value chain. Building on the approval we have been given, we want to garner more of this type of external support to give us a more secure platform on which to push forward with development. Efforts on this front are already underway, but looking ahead we will be reaching out to a wider circle of politicians, including at the European Commission, networking into related industries and academia through shared contacts and events, and presenting Savannah to Portuguese investors where we believe significant latent interest in our Company exists. Wherever good support is found, we will be actively encouraging those parties to speak freely about the benefits they see in our Project.

CHIEF EXECUTIVE'S REPORT

5. **Changing the perception of Savannah and the Project:** For me, this is the biggest challenge that we face. Looking from the outside, as I did myself a few short months ago, it is easy to believe that the whole of the local community, indeed most of Portugal, appears to be against the development of this Project, others like it, and new infrastructure in general. I now know from experience, that this is not the real situation. Furthermore, it is hard to

understand why this would be case, on the basis of facts, given how much good can be delivered by this project in terms of job creation, value to the region, opportunity for the country and contribution to the environmental needs of Europe and the rest of the world. However, today it appears that perceptions are almost as important as facts, and that instigating fear is easier for some than providing facts, as Savannah chooses to do.

Savannah's CEO, Emanuel Proença and Technical Director, Dale Ferguson receiving the Overseas Direct Investment Award from HM Ambassador, Lisa Bandari at the UK-Portugal Business Alliance Awards ceremony, March 2024:



Source: Company

CHIEF EXECUTIVE'S REPORT

We completely understand those with genuine concerns about the Project's impact on the local environment and local communities, and we want to spend time engaging with them. I have already begun to do this and have spoken with many individuals and groups in my short time at Savannah. Encouragingly, I am finding by listening to these people's concerns and then explaining the accurate facts of the Project – how it will be developed, the scale of its various parts and the true size of the land area which will be impacted (and rehabilitated), the steps we are taking to minimise noise, dust, transport, the jobs it can create, etc, and reminding them that they live in an area which has numerous active quarries already, that they become more accepting of the concept. I, and all the Savannah team, are committed to this incremental process of winning hearts and minds through open dialogue. But this is just one front on which we must win the perception battle.

The active campaign to stop the development of this Project has been building for a number of years, led by a small group of very committed individuals. They are thorough and efficient in their use of the media, social media, and the legal system to execute their campaign. We believe misinformation and emotional arguments abound. Few questions are ever raised by journalists about their underlying motives, or their alternative solutions to delivering the energy transition we all need, and the industrial development which must support it, to tackle climate change. No doubt they are as much affected by this problem as the rest of us.

As a listed company, with a strong governance code, Savannah must follow protocols and has not had the resources to effectively and persistently tackle this

campaign. Quite rightly, in the past two years efforts were more focused on the creation of a project which satisfies the appointed government agency and its associated parties, which accurately consider the environmental and social impact of a project against the socio-economic benefits it can bring to the country as a whole. However, now we have created a project which meets the Portuguese Government's rigorous requirements, and are subsequently legitimately progressing the Project, the team and I will be focusing on getting Savannah's side of the story prioritised in the mainstream media. It is our intention to have much greater control of the narrative which surrounds our Project. As part of this we will target the accurate reporting of relevant facts and, where appropriate, take firm action against those spreading misinformation and making unsubstantiated claims against us.

To sum up, we have some very clear next steps: complete the DFS and the environmental licencing process; identify our strategic partners; secure finance; leverage the mandate we have been given to consolidate our position; gain greater acceptance among local stakeholders; and rebuild our brand in Portugal and internationally. It's a lot of work, but it can be achieved and I'm eager to tackle the challenge. My appreciation goes to our shareholders and stakeholders for their ongoing support, I look forward to meeting many more of you in the months ahead. And my thanks to the Savannah team for welcoming me onboard and responding to the challenge so determinedly.

Emanuel Proença
Chief Executive Officer

Date: 12 April 2024

ESG REPORT

Savannah withstood some significant challenges across the ESG spectrum during 2023, but the team were able to respond to these challenges effectively, demonstrating both the Board's and executive team's capabilities, and the operation of the Company's robust systems and controls to manage these critical issues under pressure. As the Company matures in parallel with the progression of the Barroso Lithium Project towards eventual operation and cash flow generation, the depth and breadth of our ESG commitments and protocols will also increase. This is already beginning to express itself in a number of ways including increased staffing in areas such as environmental management, community relations and

communications and developing additional ESG-related policies and compliance with relevant international policy standards.

We remain determined to demonstrate that a natural resource company, like Savannah, can fit with the conservative perception of an ESG compliant company. We believe we can achieve this through the role we will play in the energy transition and the highly responsible and transparent way we conduct our business and deliver on our goals which include dedicated environmental stewardship, and sustained stakeholder engagement and benefit sharing.

Savannah hosting a social event for visitors and members of the local community at its core store, March 2024:



Source: Company

Environmental

The Company's initial ESG challenge in the year related to the environment and was technical in nature. By making sure that we re-submitted a revised EIA to the Portuguese authorities on time which satisfactorily addressed and reflected the substantial feedback

received during the Article 16 process, Savannah demonstrated its willingness to reduce further the environmental and social impact of the Project. This commitment was rewarded by the positive DIA decision on the submission.

ESG REPORT

Key features of the revised project design include:

- **Rehabilitation:** One of the key advantages of the Barroso Lithium Project is that mining will take place in a sequential fashion which will allow for continual remediation and rehabilitation of the areas impacted from early in the Project's life. Focus will be placed on reharmonising the Project area with the local landscape, replanting with native species of plants and trees to encourage local fauna, and protecting and re-establishing local water courses.

Our objective at the end of the Project is to leave the land rehabilitated, safe, valued and with new opportunities for different uses by the local population. Savannah commits to ensuring future sustainable use, whether for tourism, agriculture, or other purposes.

- **Water:** Savannah appreciates the critical importance of both water availability and water quality to the population and natural environment in the Barroso region. Hence, the Project has been designed so that its water usage does not impact other local users or the natural environment. The Project is expected to be self-sufficient for its water needs with the water required collected on the site, primarily from within or below the mine workings. The single largest consumer of water on the Project will be the processing plant, and 85% of the water used in the plant will be recycled and used again.

In addition to not depriving other local users or the local environment of water, the Project does not pose a threat to local water quality, thanks to its benign production processes and innovative water treatment and storage process.

- **Waste Storage:** Another critical feature is the innovative 'dry stacking' technique that will be used for the storage of tailings from the processing plant. This highly stable structure will completely avoid the need for a traditional 'wet tailings dam' onsite. Furthermore, for additional environmental protection the waste storage facility will be built on a waterproof lining. As with other areas of the

Project, the waste storage facility will also be progressively rehabilitated and revegetated over the Project life.

- **Monitoring & reporting:** To provide peace of mind to local residents, we are also planning to offer real-time data on the Project's environmental performance to the public (air quality, water quality, noise, ground vibrations). This will be done by making the relevant data, which we will collect from a series of sensors located across the Project area and local surroundings, available via an app and our website. In addition, local communities will be protected from disturbance from project-related traffic thanks to a road plan which avoids villages and towns and allows trucks safe and efficient access onto the national highway network.
- **Decarbonisation:** As part of its commitment to the decarbonisation of Europe, in 2021 Savannah announced its intention to target net zero scope 1 and 2 greenhouse gas emissions over the life of the Project. This would mean, over the life of the Project, significantly reducing any emissions it generates and removing or offsetting any residual emissions that remain. The Company is also seeking to significantly minimise scope 3 emissions by exploring a number of innovative technology options. Work on this decarbonisation strategy has been underway since March 2022. The Project is significantly aided in its decarbonisation goal by the 70%+ renewable energy mix which already exists in Portugal's power grid. The commercialisation of zero or ultra-low emission surface mining equipment over the medium term is also likely to contribute significantly to our plans.

The following table summarises the key steps that Savannah has taken and intends to take to minimise its impact on the natural and urban environment neighbouring the Barroso Lithium Project. Where relevant, Savannah's mitigation proposals meet or exceed the obligations and targets set in the Project's DIA from the environmental regulator.

ESG REPORT

Summary of Environmental protection measures and commitments made at the Barroso Lithium Project:

Consideration	Previous & Recent activities/ commitments	Future activities/commitments
Air quality management	<ul style="list-style-type: none"> • Baseline monitoring of local air quality completed • Annual monitoring of local air quality, during exploitation works on the NOA pit 	<ul style="list-style-type: none"> • Constant monitoring of local air quality during operating phase and real-time reporting of data to stakeholders • Dust suppression through regular dowsing of site roads from water trucks and use of 'fog cannons' at plant delivery point • Future air quality to benefit from targeted reductions to Scope 1 & 2 emissions to net zero and additional reductions to Scope 3 emissions • Comprehensive action plan prepared to deal with any air pollution incidents
Biodiversity	<ul style="list-style-type: none"> • Baseline monitoring of local flora and fauna completed plus 2 seasonal flora and fauna surveys completed for RECAPE phase of environmental licencing process • Survey of local land use completed • Annual monitoring for the Iberian Wolf completed 	<ul style="list-style-type: none"> • Rehabilitation and revegetation of impacted areas on the Project beginning during operating phase using native species of plants • Ongoing monitoring of key land and aquatic fauna in the area, including the Iberian Wolf
Carbon abatement	<ul style="list-style-type: none"> • 3rd party Scope 1-3 emissions assessment completed in 2019. Scope 1 & 2 emissions inventory estimate revised and restated in 2022 (see below) • Commitment to move towards net zero Scope 1&2 emissions during operating phase and target additional Scope 3 reductions announced in 2021 • Decarbonisation strategy initiated in March 2022 with study led by the Portuguese environmental consultant, ECOPROGRESSO. First phase of study concluded (announced in Feb 2023): 	<ul style="list-style-type: none"> • Decarbonisation studies to be continued. Next steps to include: <ul style="list-style-type: none"> ○ More detailed analysis of the options available for 100% renewable energy provision as part of the Definitive Feasibility Study on the Project. A number of viable options are available to secure 100% renewable energy supply to the Project including regional solar and wind generation, on market purchase, via direct Power Purchase Agreements, or a combination of these ○ Studies with a number of mining equipment OEMs to determine a site-specific solution for a transition to a battery operated mining fleet and associated charging infrastructure

ESG REPORT

Consideration	Previous & Recent activities/ commitments	Future activities/commitments
	<ul style="list-style-type: none"> ○ Confirmation that battery powered electric mining equipment will provide the most effective and flexible means to reduce Scope 1 emissions at the Project to zero. Scope 1 emissions represent 68% of the Scope 1 and 2 total ○ The estimate of Scope 2 baseline emissions was reduced by 54% from the original 2019 forecast, based on the potential for a reduction in the estimated power requirement of the Project's plant and a 41% reduction in the emissions associated with Portugal's grid power between 2019 and 2021 • Signed a Memorandum of Understanding ('MoU') with ABB, the global technology leader as the first of the decarbonisation 'specialist' appointments. Under the MoU, ABB will: <ul style="list-style-type: none"> ○ Apply its industrial automation and electrification expertise to develop and co-ordinate an extensive suite of production control and process solutions for the Project ○ Work with ECOPROGRESSO and its partners to provide engineering support for the Barroso Lithium Project Definitive Feasibility Study 	<ul style="list-style-type: none"> • Execution of study findings to deliver on the defined emissions targets through final project design, ongoing optimisation during production
Land rehabilitation	<ul style="list-style-type: none"> • Ongoing rehabilitation of areas impacted by previous exploration activities (drill pads and access routes) • Annual monitoring ongoing of the small exploitation works on the NOA deposit 	<ul style="list-style-type: none"> • Continue with rehabilitation of previous exploration sites • Progressive and comprehensive rehabilitation during and after operating phase using native species to revegetate impacted areas

ESG REPORT

Consideration	Previous & Recent activities/ commitments	Future activities/commitments
Noise & light abatement	<ul style="list-style-type: none"> • Baseline noise studies completed • Annual monitoring ongoing of the small exploitation works on the NOA deposit • Processing plant location selected to reduce light and noise impact on local communities • Time limited, regulated blasting schedule included in project plan • No mining activities at night 	<ul style="list-style-type: none"> • Execute project design and plans at the relevant time with commitment to operate at or below the night time legal noise limits during both day and night (with the exception of blasting) • Constant monitoring of noise levels during operating phase and real-time reporting of data to stakeholders and the environmental regulator • Noise levels may be further reduced by the introduction of zero-emission mining fleet and other equipment
Transport management	<ul style="list-style-type: none"> • Inclusion of new access roads in the project design to mitigate impact on local communities and minimise use of local roads • Truck movements during the operating phase restricted to weekdays only and set times during the day 	<ul style="list-style-type: none"> • Execute access road plan, avoiding project traffic passing through local villages and towns • Evaluate use of low/zero emission road trucks as part of decarbonisation strategy
Visual impact abatement	<ul style="list-style-type: none"> • Visual impact proactively considered in project design (e.g., processing plant location, road layout) 	<ul style="list-style-type: none"> • Refine and finalise project design through the environmental licencing and DFS processes • Execute final Project design
Waste management	<ul style="list-style-type: none"> • Waste to be minimised through sale of feldspar-quartz product • Processing plant waste (tailings) to be dried and stacked to avoid risks associated with wet storage in traditional tailings dam • Waste rock stored in temporary storage facilities to be used to fill closed pits as part of rehabilitation programme • Beginning in the operating phase, permanent waste storage areas to be contoured into existing topography and progressively re-vegetated 	<ul style="list-style-type: none"> • Refine and finalise the project design through the environmental licencing and DFS processes • Execute final project design • Comprehensive action plan prepared to deal with any potential pollution incidents

ESG REPORT

Consideration	Previous & Recent activities/ commitments	Future activities/commitments
Water management	<ul style="list-style-type: none"> Continued baseline monitoring of local water courses, including surface and underground chemical analysis 3rd party estimate of annual water requirement for operating phase completed Project to be self-sufficient for water usage through on-site water harvesting, and storage, wastewater recycling and recovery of water from concentrate and waste products Lithium recovery process based on use of REACH registered chemicals with low environmental toxicity; will operate at near neutral pH Hydrogeological study, including drilling, initiated as part of the RECAPE phase of the environmental licencing process Water quantity monitoring on the Covas river both upstream and downstream of the Project area 	<ul style="list-style-type: none"> Refine and finalise project design through the environmental licencing and DFS processes Execute final project design Constant monitoring of local water quantity and quality both upstream and downstream of the Project area during and post operating phase and real-time reporting of data to stakeholder Comprehensive action plan prepared to deal with any potential pollution incidents
Vibrations management	<ul style="list-style-type: none"> Monitoring of vibration, during blasting works at the NOA pit 	<ul style="list-style-type: none"> Vibration levels to be well below legal limits during operating phase Constant monitoring of vibrations during operating phase and real-time reporting of data to stakeholders Comprehensive action plan prepared in case the vibrations results exceed what was expected

ESG REPORT

Social

Local Community engagement

Once the EIA had been resubmitted in March 2023, more social engagement, greater provision of accurate information, and Savannah's capacity to receive and respond quickly and accurately to feedback from stakeholders were crucial. Savannah has been delighted to welcome a number of local people onto its team during the year, including to our communications team, as we look to further anchor the Company in local society, by making a positive impact on the local economy and workforce in the area.

Following the revised EIA submission, Savannah spent time meeting with local people to explain the proposed changes to the Project and to hear their views. We also welcomed the extended public consultation period which was run by APA during March and April. After the positive decision had been made, further meetings with key stakeholders, including the Baldios land management

groups and Mayor of Boticas, addressed topics such as future land access and other issues relevant to how Savannah will progress the Project. Whether it is in more formal meetings, or ad hoc meetings with members of the public, the Company's focus has remained on building relationships, receiving feedback and providing accurate, consistent information on the Project and acting in a responsible and transparent way.

Alongside Savannah's own engagement with local stakeholders, Community Insights Group, the highly experienced social performance consultancy, continued its Social Impact Assessment ('SIA') work following submission of the findings of the first phase of this assessment as a 'Social Issues Scoping Report' to APA as part of Savannah's revised EIA. The SIA is an important part of Savannah's RECAPE work, and CIG has conducted approximately 400 interviews with local people to gather their views on the Project as well as their expectations and preferences for benefit sharing from the Project.

The Savannah team meeting with members of the Dornelas village community, February 2024:



Source: Company

ESG REPORT

Government & other stakeholder engagement

In the normal course of its business, Savannah maintained regular contact with relevant Portuguese ministries and government agencies during the year as well as meeting with several Portuguese MEPs, representatives of the UK and the US Government and other embassies in Portugal.

In the final quarter of the year, Savannah's governance was placed under extreme scrutiny by Operation Influencer. This inquiry, launched by the Portuguese Public Prosecutor, is investigating possible corruption, undue influence, malfeasance and other wrongdoings in relation to a number of projects including Savannah's Barroso Lithium Project. The Company immediately responded with a public statement reiterating that Savannah has and always will conduct its business in a fully lawful and transparent manner. Savannah went on to commission an Independent Review and external Legal Opinions, the key findings of which were announced to the market in January 2024 (see Chairman's Statement for further details).

The Independent Review found no evidence which would give rise to liability of the Company in connection with any irregular financial transactions by the Company. It also found no evidence of improper offers or payments, or other forms of wrongdoing by the Company in regard to the questions raised in Operation Influencer associated with past relations with a potential partner, discussions of the by-pass road, royalties, or in relation to interactions with national entities in the EIA process under Article 16. No material legal risk was identified related to the allegations outlined in the Investigation.

The Legal Opinions confirmed that, based on the findings of the Independent Review, but also on the functioning of the Portuguese permitting process, past legal experience, and constitutional protections, under no realistic circumstance would the Project's execution and its expected future cash flows be at risk.

Hence, Savannah believes that the conclusions of the Independent Review and the Legal Opinions demonstrate the Company's solid legal position in relation to the allegations contained in Operation Influencer.

ESG REPORT

Summary of social and government interaction and commitments made in relation to the Barroso Lithium Project:

Consideration	Previous & Recent activities/ commitments	Future activities
Community engagement	<ul style="list-style-type: none"> • Additional Information centre opened in Boticas town (2 in total) • Initial phase of Social Impact Assessment completed by Community Insights Group, incorporating interviews with community members and resulting in a 'Social Issues Scoping Report' which accompanied Savannah's revised EIA submission to APA • Completion of around 400 interviews with local residents for the next phase of the Social Impact Assessment • Communication also maintained with local communities through a range of meetings, drop-ins and activities at the Information Centres, and publications of community newspapers (September and December 2023) • Land acquisition programme continued • Produced a comprehensive series of Information sheets for stakeholders highlighting the key design points and socio-economic programs within the revised EIA 	<ul style="list-style-type: none"> • Completion of the Social Impact Assessment as part of the RECAPE process and to support finalisation of Stakeholder Engagement Plan to complement future phases of the Project • Refine and finalise the Benefit Sharing and Good Neighbour Plans • Continue with land acquisition programme
Community support	<ul style="list-style-type: none"> • Sponsorship of local cultural and sporting events & teams • Donations to local firefighting service (forest fire mitigation) • Repairs made to local housing stock • Incorporation of a foundation as part of the Benefit Share Plan which will invest in community focused programmes 	<ul style="list-style-type: none"> • Continue with current financial and resource support for local events, teams and groups; continue with support for local residents in need • Refine and finalise the Benefit Sharing and Good Neighbour Plans

ESG REPORT

Consideration	Previous & Recent activities/ commitments	Future activities
Government engagement	<p>Engagement/Meetings held have included:</p> <p>European Commission/European Parliament:</p> <ul style="list-style-type: none"> • EC Executive Vice President, Maroš Šefčovič • MEP Carlos Zorrinho (Pt) • MEP Cláudia Monteiro de Aguiar (Pt) • MEP Paulo Rangel (Pt) • DG Grow Head of Unit, Peter Handley <p>Portugal:</p> <ul style="list-style-type: none"> • Portuguese Minister of Economy and Maritime Affairs • Portuguese Minister of Environment and Energy Transition • Portuguese Minister for Infrastructure • Portuguese Secretary of State for Energy • Environmental regulator (APA) • Institute for Nature Conservation and Forests • The Northern Portugal Regional Coordination and Development Commission (CCDR-N) • The Directorate-General for Energy and Geology (DGEG) • Mayor of Boticas • Mayors of Dornelas parish, Covas do Barroso parish, Ribeira de Pena • Portuguese Ambassador to UK <p>Australia:</p> <ul style="list-style-type: none"> • Australian Ambassador to Portugal (visit to Boticas Information Centre) <p>UK:</p> <ul style="list-style-type: none"> • British Ambassador to Portugal <p>USA:</p> <ul style="list-style-type: none"> • US trade delegations at US Embassy, Portugal • Office of Foreign Investment and National Security, U.S. Department of Energy 	<ul style="list-style-type: none"> • Continue and increase engagement with key national government ministers & departments, and local administrators • Maintain contact with British, US, Australian and other relevant Embassies in Portugal • Maintain contact with European Commission & relevant EU bodies (see Membership section in Governance box below)

ESG REPORT

Consideration	Previous & Recent activities/ commitments	Future activities
Health & Safety	<ul style="list-style-type: none"> Continued to prioritise high standards of Health & Safety and updated the related policies Zero Health & Safety incidents or loss time injuries reported in 2023 (2022: 0) 	<ul style="list-style-type: none"> Maintain priority focus on Health & Safety and associated staff training
Local business engagement	<ul style="list-style-type: none"> Became member of Mais Boticas (local Chamber of Commerce) Preference given to local suppliers of goods & services 	<ul style="list-style-type: none"> Maintain and increase engagement with local suppliers of goods and services Maintain and increase engagement with suppliers of goods and services across Portugal
Other stakeholder engagement	<ul style="list-style-type: none"> Attendance at relevant government and trade events in Portugal and elsewhere in Europe Active engagement with national and international press and media resulting in significant coverage of Savannah and the Barroso Lithium Project in Portugal and across Europe Public consultation phases of EIA completed (April-July 2021, March-April 2023) including public 'in-person' meetings arranged by environmental regulator (2021) Met with the Food and Agriculture Organisation of the United Nations 	<ul style="list-style-type: none"> Maintain presence at relevant government and industry events in Portugal, UK and across Europe Public relations campaigns across multiple media channels in Portugal and beyond to highlight importance of domestic battery raw material supply in Europe and Savannah's responsible approach to its own lithium operation
Staff	<ul style="list-style-type: none"> 24 members of staff as at February 2024 with 70:30 male:female demographic with 14% from minority ethnic groups; currently 42% of project staff are from the local community 	<ul style="list-style-type: none"> Add to the existing team across the range of disciplines required to develop the Project Project expected to generate approximately 350 direct jobs during the operating phase, and around 2,000 indirect and induced jobs Continue to seek opportunities to recruit from the local population and within Portugal
Other activities	<ul style="list-style-type: none"> Sponsorship of FST Lisboa, the Lisbon University student electric vehicle racing team 	<ul style="list-style-type: none"> Evaluate other sponsorship and support opportunities with relevant groups

ESG REPORT

Governance

Consideration	Recent activities	Future activities
Board Composition	<ul style="list-style-type: none"> Annual evaluation of the Board's performance implemented Appointment of five¹ new Non-Executive directors during 2022 and 2023 including Bruce Griffin and Mohamed Sulaiman in 2023. Retirement from the Board of Imad Kamal Abdul Redha Sultan Bruce Griffin adds to the Board's mining sector knowledge with over 20 years' experience in mining finance and also holds a number of executive and NED positions in the industry Mohammed Sulaiman acts as the Board's representative of Savannah's largest shareholder, the Al Marjan group, and has over 20 years of experience in Strategy, investment management and board level roles 	<ul style="list-style-type: none"> Appointment of Directors to meet needs identified by the Nomination Committee Ongoing annual board performance review
Environmental & Social Management System	<ul style="list-style-type: none"> Finalised Corporate ESMS, aligned with internationally recognised ESG standards 	
ESG Reporting	<ul style="list-style-type: none"> Completion of ESG questionnaires for institutional investors 	<ul style="list-style-type: none"> Adopt relevant international specific ESG standard and commence reporting to relevant standard

¹ Manohar Pundalik Shenoy was appointed on 7 April 2022 and passed away in September 2023

ESG REPORT

Consideration	Recent activities	Future activities
<p>Membership of industry Trade bodies & Associations</p>	<p>Lithium Industry:</p> <ul style="list-style-type: none"> • International Lithium Association • British Standards Institute Technical Committee on Lithium Industry Standardisation (UK is a participant member of the International Standards Organisation’s Technical Committee on Lithium Industry Standardisation) <p>European Union Associated initiatives:</p> <ul style="list-style-type: none"> • Business Investment Platform managed by EIT InnoEnergy • European Battery Alliance • EIT RawMaterials • European Raw Materials Alliance <p>European Mining Industry:</p> <ul style="list-style-type: none"> • European Association of Mining, Metal Ores & Industrial Minerals ('Euromines') <p>Portuguese initiatives:</p> <ul style="list-style-type: none"> • Association for the Battery Cluster (founding member) • Mineral Resources Cluster • Business Council for Sustainable Development • Mais Boticas (Chamber of Commerce in Boticas area) • Forest Association of Trás-os-Montes Forestry Association • COTEC Portugal • Portuguese Chamber of Commerce <p>UK:</p> <ul style="list-style-type: none"> • London Stock Exchange • Quoted Company Alliance 	<ul style="list-style-type: none"> • Maintain current memberships and evaluate membership of additional initiatives which would support our efforts to follow industry best practices and complement other ESG and corporate goals

ESG REPORT

Consideration	Recent activities	Future activities
Policies and Procedures	<ul style="list-style-type: none"> • Annual online training/ acknowledgement of Company's Code of Conduct and Anti-Bribery Code (Directors / Employees / Company Consultants) • Implementation of Social Media Policy • Implementation of Travel and Expenses Policy • Translation of key policies into Portuguese 	<ul style="list-style-type: none"> • Introduction of policies to reflect the Group's growing maturity and transition to building and operating a mine • Introduce policies to reflect the requirements of potential customers or financiers
Risk Management	<ul style="list-style-type: none"> • Refinement of Group's insurance coverage in conjunction with leading global brokers, Marsh • Nomad's attendance at Board Meeting to keep the Directors abreast of governance developments • Enhancement of IT security protocols • Annual Risk Workshops and regular Risk Register 	<ul style="list-style-type: none"> • Review and update of Group's Financial Reporting Procedure • Ongoing enhancement of IT security protocols • Annual Board Risk workshop • Ongoing review of Risk Register

STRATEGIC REPORT

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

Set out below are the applicable reporting requirements under the Act for the purposes of the Strategic Report, together with guidance to other applicable sections of the 2023 Annual Report, which are incorporated by reference into the Group's Strategic Report.

Principal Activities, Fair Review of the Business and Future Developments

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

Asset & location	Ownership	Activities undertaken
The Barroso Lithium project, Portugal	100%	<ul style="list-style-type: none"> Exploration and Evaluation: Following the positive DIA decision received at the end of May (see Environmental Licencing Process section below), fieldwork was significantly increased in the second half of the year. In September, Savannah announced the appointment of a number of key contractors to undertake and manage various DFS-related work packages, including drilling. A two-phase approximately 13,500m/230 hole drilling programme was commenced in October. In February 2024, Savannah announced the completion of the resource-related drilling (3,189m across 42 holes) in the first phase of the programme and is currently completing the outstanding geotechnical and metallurgical-related drilling of phase 1. Details for the larger, phase 2, programme will be finalised once all phase 1 results have been received and reviewed. To meet an ongoing condition of the existing mining lease, a small amount of mining was also undertaken during the year from the existing workings at the NOA deposit. Environmental Licencing Process: For Savannah to achieve its goal of becoming a responsible lithium raw material producer it must secure a new Environmental Licence for its Barroso Lithium Project. The major step in this licencing process is the approval by APA, Portugal's environmental regulator, of an Environmental Impact Assessment for the Project. An EIA evaluates a project's environmental and social impact during its construction, operation, closure and post-closure phases. The outcome of the EIA is a project design and a set of actions to be undertaken which minimises the environment and social impact of the project throughout all its active phases and over the long term, post closure. <p>Having agreed with APA in July 2022 that the EIA evaluation process for the Project, which began in 2020, should continue under Article 16 of Decree-Law No. 151-B/2013, amended and republished by the Decree-law 152-B/2017 of 11 December ('Article 16'), which regulates Environmental Impact Assessments in Portugal. Under Article 16, Savannah submitted its substantially revised EIA in March 2023, triggering the maximum of 50 business days allowed under the legislation for APA to review the resubmission and give its DIA</p>

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Asset & location	Ownership	Activities undertaken
		<p>decision. A second public consultation period was also held on the Project during March and April 2023, following which APA gave a positive DIA, with conditions, at the end of May.</p> <p>Receipt of the DIA confirms the regulator’s approval of the proposed project subject to any conditions it attaches to the permission being met in the final design and subsequent operation of the project. The DIA award is the major approval in a multi-stage environmental licencing process and the Project has now moved into the subsequent Environmental Compliance Report of the Execution Project (‘RECAPE’) stage after which approval of the Project’s detailed final designs are received (‘DCAPE’) and the Project’s final environmental title can be awarded.</p> <p>Work on the RECAPE phase of the process began following the DIA decision with the appointment of key contractors. Since then field and desk studies have been underway on a range of fronts including, hydrogeology, seasonal studies of flora and fauna, archaeology, and social impact. Savannah expects to have completed the work required for the RECAPE phase shortly after completing the DFS.</p> <ul style="list-style-type: none"> Other Licencing processes: Once the RECAPE submission has been approved and the resulting DCAPE declaration has been made, and the environmental licence received, Savannah will then be able to apply for the remainder of the licences required for the Project’s development and operation. These licences cover permissions for construction and use of services on site such as power and water. Permits will also be required for the proposed new road sections which are included in the revised project design to further limit traffic impact on local communities. <p>During the period Savannah remained engaged with key stakeholders in these licencing processes including the government agencies, APA and DGEG, ministers and Secretaries of State. The Company also initiated the process to licence a new 60KV connection and deviation of the existing electricity grid power line which crosses part of the Lease area.</p> <ul style="list-style-type: none"> Definitive Feasibility Study: The DFS is a comprehensive technical and economic study of the proposed Project and will include among other elements; an updated JORC compliant Resource for the Project as well as its maiden JORC compliant Reserve estimate; final designs for site layout and associated infrastructure; schedules for mining, processing, storage of processed materials; commodity market studies; and capital and operating cost estimations and a cashflow model. <p>Following the positive DIA decision, work on the DFS was accelerated over the summer of 2023 with the appointment of key contractors in Q3 2023. In October the Company announced the start of a two-phase, approximately 13,500m/226 hole drilling programme to gather data for resource, geotechnical and</p>

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Asset & location	Ownership	Activities undertaken
		<p>metallurgical studies as part of the DFS. The first phase of resource-related drilling was completed in February 2024 with new resource estimates expected to be made from early Q2 2024 onwards on a deposit-by-deposit basis. Geotechnical and metallurgical drilling from the first phase of the programme is expected to be completed in April, and the plans for the larger, second phase, of the programme will be finalised once all drill results are received from the first phase. Away from the field, work continued on the Project's final design and further metallurgical test work. Savannah expects to complete the DFS by the end of 2024.</p> <ul style="list-style-type: none"> • Decarbonisation Study: In March 2022 Savannah announced the initiation of a Decarbonisation Strategy to support its goal of producing a net carbon zero lithium product from the Project. By setting this goal Savannah is helping to minimise the carbon footprint associated with the European lithium battery value chain, thus maximising the environment benefit these batteries can bring. ECOPROGRESSO, a subsidiary of the Portuguese engineering and environmental consultancy, Quadrante Group, was commissioned to lead on the multiple phased study. Phase 1, which was focused on updating the estimate of the Project's emissions of greenhouse gases ('GHG') based on international guidelines, and defining targets for overall GHG reduction was completed during 2022 and the results announced in January 2023. The study confirmed that: <ul style="list-style-type: none"> ○ Battery Electric Mining Equipment will provide the most effective and flexible means to reduce Scope 1 emissions at the Project to zero. Scope 1 emissions represent 68% of the Scope 1 and 2 total ○ The estimate of Scope 2 baseline emissions was reduced by 54% from the original 2019 forecast, based on the potential for a reduction in the estimated power requirement of the Project's plant and a 41% reduction in the emissions associated with Portugal's grid power ○ A number of viable options are available to secure 100% renewable energy supply to the Project including regional solar and wind generation, on market purchase, via direct Power Purchase Agreements, or a combination of these. Use of 100% renewable energy would reduce the Project's Scope 2 emissions to zero <p>Next steps in the study are to include:</p> <ul style="list-style-type: none"> ○ More detailed analysis of the options available for 100% renewable energy provision as part of the Definitive Feasibility Study on the Project; and ○ Studies with a number of mining equipment OEMs to determine a site-specific solution for a transition to battery operated mining fleet and associated charging infrastructure

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Asset & location	Ownership	Activities undertaken
		<ul style="list-style-type: none"> Government Engagement: In its normal course of business, Savannah staff engaged regularly with stakeholders among government and government-related entities at the national and local level during the year. In the first quarter, much of this engagement occurred under the guidelines of the ongoing Article 16 process, and then following the positive DIA decision at the end of May, the focus of engagement moved on to progressing the Project according to APA's approval and the associated conditions. During September, time was spent introducing the Company's new CEO, Emanuel Proença, to key government stakeholders to ensure continuity of the Company's relationships with these stakeholders. In the immediate aftermath of the launch of Operation Influencer in November, there was a natural pause in engagement, but regular communication was subsequently re-established with all key central government, local government and government agencies and Savannah continues to build these relationships as it strives to take the Project through development and into production. Community Engagement: Savannah's engagement with its local community stakeholders evolved on a number of fronts during the year. As in previous years, Savannah continued with its support of local groups and events and its preferential use of local suppliers for goods and services. The Company also recruited more staff from the local population to assist with its fieldwork programme. Community Insights Group also spent an extended period engaging with local stakeholders, conducting approximately 400 interviews as part of the next phase of its Social Impact Assessment . Strategic Partnering Process/Commercial discussions: The commercial interest in the Project and its spodumene lithium offtake has been strong for a number of years and increased significantly following the 'DIA' approval and publication of a new Scoping Study earlier this year. To quantify the commercial interest received in the Project, the Company initiated an orderly Strategic Partnering Process in July 2023, in which interested parties were invited to submit proposals outlining how they could assist Savannah with financing the Project's development as part of a long-term commercial relationship with the Company. Due to the high number of positive responses received from a wide range of groups, in November 2023 we appointed Barclays and Barrenjoey as joint financial advisers to lead on the Process. Following completion of the first phase of the exercise, the Process is now focused on engaging with a shortlist of potential strategic partners which are potentially willing to assist with the Project's future development and financing, and which also bring complementary skills or additional opportunities to Savannah.
Fair review of business		<ul style="list-style-type: none"> A review of the Group's performance during the period and prospects is included in the Chairman's Statement and the Chief Executive's Report.

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Principal Risks and Uncertainties

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

Environmental Permitting Risk

As noted in the Licence and Title Risk and Social Licence Risk sections below, the Group understands and takes proactive steps in order to mitigate or eliminate those risks, and a combination of these is demonstrated in the environmental licencing evaluation process, the failure to do so could result in the Project's approval being delayed or withheld. On 30 May 2023 APA, the Portuguese environmental regulator, issued a positive Environmental Impact Statement (the DIA), on the Project. Achieving the DIA award is the most challenging part of the overall environmental licencing process. This means that the regulator has agreed to the design of the Project and that the Group and APA have mutually agreed a set of accompanying conditions for the Project's construction and operation. For the remaining 'RECAPE' phase (the Environmental Compliance Report of the Execution Project), the Group is required to produce a final design which complies with the DIA and its associated conditions, for APA's approval.

On 7 November 2023, the Portuguese Public Prosecutor's Office announced publicly the existence of 'Operation Influencer', an investigation into possible active and passive corruption, undue influence, malfeasance and other wrongdoings in relation to a variety of "green" projects, and this included the award of Savannah's DIA. Savannah cooperated fully with the authorities that day when some of its premises were visited and none of its staff were arrested or named as 'arguido' (Pre-Defendants). Since then, the Company has been free to continue with all its business activities unencumbered. Following the announcement of Operation Influencer, the Company commissioned a full independent legal review which included due diligence by independent experts of relevant accounts, facts and documents in the Group's possession. While the Investigation may draw on evidence not available to the Independent Review, and although further steps are to be expected, this Independent Review concluded, based on the evidence examined, that there was no improper use of the Group's money or evidence of wrongdoing by the Group. The related legal opinions also concluded that the Group's ability to deliver the Project and generate future cash flows from it would most likely not be affected by the Investigation's findings. As it awaits new steps in the Investigation, the Group continues to progress its Project unencumbered while remaining ready to cooperate fully with the Portuguese authorities should the Company be required to do so. Based on past similar cases, the timeline for next steps is uncertain and likely to be long, and a formal clearing or accusation is not expected in the near term.

Natural Resource Project Development & Construction Risk

There can be no guarantee that mineral exploration and evaluation programmes will result in the delineation of a commercially viable project. However, to reduce this risk, the Group focused its activity primarily on brownfield locations, previously delineated resources or established exploration targets. Notably, the Barroso Lithium Project in Portugal already had a granted Mining Lease following exploration work conducted by previous owners when Savannah acquired the Project.

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

Attraction and Retention of Key People

The success of the Group is dependent on the expertise and experience of the Directors and Senior Management and the loss of one or more could have a material adverse effect on the Group. The Board, supported by the Remuneration Committee and professional advisers, has adopted a remuneration framework aimed at rewarding

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performance, encouraging retention of key staff, and aligning their interests with those of shareholders, including via its (Share Options' based) Long-Term Incentive Plan.

Future Funding Requirements

The Group has an ongoing requirement to fund its exploration and mine development activities and will need to obtain additional finance to execute its plans. The Company is running a Strategic Partnering Process in conjunction with Barclays and Barrenjoey, which could provide a funding solution for the BLP's development. Other potential sources of finance include the established debt and equity capital markets (which themselves may be impacted by global and regional shocks, or macro-economic, political or environmental trends), offtake or other industrial partners which could provide prepayment and working capital facilities in exchange for long term supply contracts, commodity based royalty and stream finance groups which can also provide up-front payments in exchange for exposure to future revenue or production streams, major suppliers, and grants or other facilities from government or other centralised bodies (e.g., EU which is focusing particularly on the clean energy revolution which the BLP helps to underpin). Finance could also be raised through the sale of a stake in the Project. Senior Management and the Board closely monitor the cashflows of the Group. Cashflow projections are presented regularly to the Board for review and this assists in ensuring that expenditure is focused on areas of greatest development potential. Overheads and administration costs are carefully managed.

Country Risk

A greater or lesser degree of sovereign and political risk exists in all countries. At the reporting date, the Group carried out a combination of exploration and mine development work in Portugal. Being a member of the EU, Portugal operates within the framework of the EU. Country risk is further mitigated by ensuring the Group maintains working relationships at all levels with government, administrative bodies, local communities, and other stakeholders. The Board actively monitors relevant political and regulatory developments and the appointment of CEO, Emanuel Proença, in September 2023, an experienced senior Portuguese business leader, has further strengthened the Company's network within Portugal.

Licence and Title Risk

The granting, maintaining and renewal of the appropriate licence or licence equivalent is essential to the Group's exploration, mineral development, and mining activities, and is usually at the discretion of the relevant government authority. The Group seeks to ensure that its activities are always in compliance with the relevant licencing and associated standards, laws and regulations and will attempt to respond in a timely manner to any changes in licence regulations. The costs associated with maintaining and renewing licences and complying with all related licence requirements, together with delays experienced in the issuance of licences or conversion of exploration licences into mining licences, may have a financial impact on the Group through additional costs or extensions to work programmes. The mining licence relating to the BLP has been the subject of legal due diligence in order to establish validity of legal title. It is in good standing and regular communication is maintained with the relevant government authority (Direção-Geral de Energia e Geologia (DGEG)). Such actions mitigate the risks posed by challenges from anti-mine groups in respect of licence and title risk, as do the actions taken in respect of Social Licence Risk.

Social Licence Risk

In parallel with obtaining the necessary licences and permits to operate from national and local administrators, natural resource companies must also operate in a way that is acceptable to local community stakeholders and broader civil society. Obtaining social acceptance is deemed by the industry to be one of the most significant risk factors it faces, and failure to achieve and maintain broad social acceptance could have a temporary or permanent material adverse impact on the ability of a business to operate. The Group places great importance on its relationships with its neighbouring communities and wider stakeholder groups and looks to mitigate 'social licence' risk through its proactive, community engagement programmes, and through its wider group policies, including those relating to environmental standards, corporate governance, code of conduct, reporting and communication, securing land access rights, and continued work on a formal Social Impact Assessment which began in 2022. See ESG Report for more details.

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'Lawfare' is a common tool used by parties seeking to disrupt project developments, and the following legal cases are ongoing:

- Parish of Covas do Barroso as plaintiff in the Mirandela Fiscal and Administrative Court in Portugal against the Ministry of Environment and Climate Action as defendant, and the Company's wholly owned subsidiary, Savannah Lithium Unipessoal Lda., has been joined as the counter-interested party. The lawsuit seeks to nullify certain administrative actions by the defendant in June 2016 including the addition of lithium to and the expansion in the area of the C-100 Mining Lease. The C-100 Mining Lease which contains the Barroso Lithium Project is fully granted, has a term of 30 years to 2036 and remains in good standing. The lawsuit neither impacts the Barroso Lithium Project's activities nor the current environmental impact assessment process which is moving to a conclusion. The advice from the Company's lawyers was and remains that the lawsuit is without foundation.
- Parish of Covas do Barroso as plaintiff in the Mirandela Fiscal and Administrative Court in Portugal against the Portuguese Environmental Agency (APA) and the Ministry of Environment and Climate Action as defendants, and the Company's wholly owned subsidiary, Savannah Lithium Unipessoal Lda., has been joined as the counter-interested party. The lawsuit seeks to nullify the positive Environmental Impact Statement (DIA) and supporting documents for the Company's revised design and optimisation for the Barroso Lithium Project, issued in May 2023 by APA. In response to the Public Ministry's opinion, APA has published a statement on its website which included confirmation that the "*procedure was carried out in accordance with the legal terms of the respective legal regime*". The DIA remains in force and allows the Company to proceed with all the actions authorised by its content, and the Lawsuit does not impact the Barroso Lithium Project's activities. The advice from the Company's lawyers is that the Lawsuit is without foundation.
- Covas do Barroso Baldios as plaintiff in the District Court of Vila Real against the Company's wholly owned subsidiary, Savannah Lithium Unipessoal Lda. and several other private landowners. The lawsuit seeks to challenge the registration of certain areas and limits of 6 parcels of land at the BLP which the Company acquired from private landowners, claiming that the landowners have registered some of their property boundaries incorrectly and that the land in question is actually Baldios land (community owned and managed land). As the Company has acquired some of those properties, the Baldios Commission has included the Company in those claims, requesting that the acquisition of such properties should be declared null and void. The Company's due diligence included registration of properties' boundaries at BUPI - Balcão Único do Prédio (public entity required for land properties geo reference) and the Company has purchased exactly what is registered with the Land Registry Office. For context, out of a total area of 593 hectares within the Project's mining concession, the areas that are being disputed by the Baldios Commission occupy approximately 7 hectares, or circa 1.4% of the total area of the Project. The Company's lawyers advise that if the Covas do Barroso Baldios is successful in proving there were any discrepancies in the land borders, it is expected that these will be adjusted and the land returned to the Covas do Barroso Baldios. A generous offer has been made to the Covas do Barroso Baldios for a land access agreement (and was included in the Article 16 EIA submission), however, if it is not possible to secure the remainder of the land required by mutual agreement the Company has the right and empowerment to use the Portuguese legal system to secure the land.

The Group's innovative Benefit Sharing Plan ('BSP') and Good Neighbour Plan ('GNP') were part of the overall EIA submission. Both plans will be finalised after extensive analysis by the Group and with input from key local stakeholders to address a number of area-specific social, economic, and environmental themes. Via the BSP and GNP, Savannah is demonstrating its desire to become a valued member of the local community through the commitments it is making to operate the BLP in a responsible and sustainable way and to share with stakeholders the many benefits the Project can bring. A Community Relations Manager was appointed in January 2024 to provide additional expertise and capacity.

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Commodity Price Risk

The Group's commodity focus is lithium and the price movement in this commodity can be volatile. This volatility can be caused by numerous factors beyond the Group's control. A sustained period of significant price volatility has the potential to adversely affect the Group's operations.

Assuming all previously highlighted development and construction related risks have been mitigated and production is established at the BLP, specific commodity price risk can be more actively managed. This could be achieved in the case of the BLP, where spodumene lithium and its by-products are not currently exchange traded commodities, by entering into off-take agreements as part of the Project's financing.

Global and Regional External Shocks

Operating in an increasingly globally mobile economy and population, the Group may be affected by global or regional shocks such as pandemics, energy crisis, inflation, or military conflicts. Global or regional shocks potentially impact the worldwide economy and the Group's financial outlook (e.g., in the event of a global depression impacting demand for commodities, albeit, lithium's unique place in the energy transition provides a basis for its demand growth to remain strong), thus the Group maintains a minimum cash balance to mitigate any such adverse impacts. Furthermore, the global response to recent external shocks has led national governments, the EU, and global industrial business to focus on energy security and regionalisation of supply chains, thus increasing the importance to Europe of the BLP.

Analysis of the Development and Performance of the Business

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

Analysis of the Position of the Business

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

Key Financial Performance Indicators and Milestones

Our key performance indicators ('KPIs') help the Board and Executive Management assess performance against our strategic priorities and business plans.

Analysis Using Key Financial Performance Indicators and Milestones:

KPIs	Description	Performance
Cash balance (for exploration, development and going concern purposes)	Cash balance available to continue with the activity of the Group.	<p>At the reporting date the Group's available cash balance was GBP9.0m (2022: GBP7.2m). The major sources of cash funding during the year was the 2022 year-end balance and the GBP6.5m gross total raised at 4.67p/share in July through the non-pre-emptive Placing, Subscriptions, and offering via the PrimaryBid platform.</p> <p>The Directors believe that the Group's Barroso Lithium Project is attractive and are confident that funding will continue to be secured and that it is appropriate to prepare the Financial Statements on a going concern basis. The Company currently has a number of options in respect of future financing and is currently running a Strategic Partnering Process which is expected to result in significant financing being made available by the selected partner(s) for the development of Savannah's project. The Company is also evaluating various sources of public funding, which may be available from the Portuguese Government and/or European Union.</p>

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KPIs	Description	Performance
Subscription and placing of shares	To continue with its operating activities as an active and growing mineral development group, the Group has raised funds from the market	Following the rise in the share price in the wake of the positive DIA decision from APA in May and the release of the new Scoping Study on the Project in June, Savannah took the opportunity to raise equity finance in July. A gross total of GBP6.5m was raised at a price of 4.67p/share through a combination of a non-pre-emptive Placing (GBP2.4m), Subscription (GBP3.7m), and offering via the online PrimaryBid platform (GBP0.4m).
Share price	The price reflects the value of the Group as determined by the free trading of its ordinary shares on public stock exchanges such as the Alternative Investment Market of the London Stock Exchange	From an opening price of 2.3p, the share price made steady upwards progress and broke through the 3p level in early March as Savannah moved towards the submission of the revised EIA on the Project. Having hovered around that level for some weeks, during which the EIA was submitted to APA, the price briefly broke through 4p in late April and then stayed just below that level until the positive DIA decision was announced on 31 May. At that point the price quickly moved back over 4p and went on to hit the year's high of 4.95p on 6 June. The price remained in a high 4p range while we released the new Scoping Study and allowed the Company to raise GBP6.5m gross at 4.67p in early July, in line with the then share price. Overall the price remained above 4p through to 8 August but with the spodumene price remaining under pressure, it had already fallen by over 50% in the first seven months of the year, Savannah's share price began to perform more in line with the underlying commodity price. Prior to the announcement on 7 November, the day on which we became aware of the launch of Operation Influencer by the Portuguese Public Prosecutor, the share price had eased to 3.3p. Over the subsequent four days, following the negative market reaction to the news, the price fell to the year's low of 1.95p. The price did return above the 2p level as the immediate impact of the news faded and the market began to acknowledge that Savannah was able to continue with its work unencumbered. However the stock traded in a tight range for the remainder of the year, closing at 2.1p, representing a 9% fall over the year (vs. 2022: -47%). While this performance was disappointing given the significant progress made by the Company between March and July, the performance should be viewed relative to the performance of the spodumene price itself, which ended the year over 80% lower.
Investment in Exploration & Evaluation Assets ('E&E Assets') and Property, Plant and Equipment ('PPE')	As an active and expanding mine development group, the investment in E&E Assets and PPE Assets can show the volume of activity which is adding value	During 2023 the Company continued its investment in exploration activity, but with meaningful field work limited to the second half of the year the increase in E&E Assets was only 29% higher year-on-year at GBP2.2m (2022: GBP1.7m). During the period there was no significant Property, Plant and Equipment acquisitions.

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Analysis Using Other Key Performance Indicators and Milestones

KPIs	Description	Performance
Project pipeline	As an active mineral development group, Management is up to date on the changes in the market and looking for new opportunities to increase the potential of the Company	In recent years there has been (and continues to be) an increase in the importance of the lithium-ion battery market, impacting on global lithium demand with projections showing significant increases in demand. In 2016 the Group started its investment in lithium projects with the acquisition of exploration licences in Finland (subsequently relinquished). Following the acquisition of the Barroso lithium Project in the north of Portugal in 2017 (100% ownership achieved in 2019), the Group has the potential to become a significant spodumene lithium producer in Europe. While the near-term focus of the Company is on the development of the Barroso Lithium Project following the positive DIA decision in May 2023, one of Savannah's longer-term goals is to further develop its lithium business in the Iberian Peninsula. To this end, it actively assesses potential lithium exploration targets in the area, and expects to participate in the long-awaited lithium exploration tender process in Portugal when it is launched by the Government.
Mining Lease Applications	As a mineral development company, the grant of mining leases as a precursor to commencement of production is a significant milestone	<p><i>Portugal:</i> A 30-year Mining Lease (the C-100 Lease) was granted on the Project in 2006. The licence can be extended for a further 20 years from 2036. To be allowed to execute its plan of developing a spodumene mine and concentrator operation on the Lease, Savannah is required to obtain a new Environmental Licence for the Project and associated licences covering areas such as construction and use of services on site (power, water, etc).</p> <p>In June 2020, the Group submitted a new Environmental Impact Assessment and Mine Plan to APA, the Portuguese environmental regulator, for the Barroso Lithium Project as part of the overall licencing process for the Project. That submission was made public in April 2021 and underwent a public consultation between April and July of that year. In July 2022, the Regulator recommended that the review process enter an additional phase of evaluation under Article 16 of the relevant EIA legislation during which Savannah could meet with the Regulator's Evaluation Committee, receive feedback on its original design and be given 180 working days to revise and resubmit its EIA. Savannah agreed to this proposal and resubmitted its EIA on 16 March 2023. As required under the legislation, the regulator announced its decision on the resubmitted EIA within 50 working days of it being submitted. That decision was positive, with the Project EIA being approved by APA (DIA awarded) with conditions attached that must be met in the Project's final design and operating practices, which Savannah agreed to.</p>

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KPIs	Description	Performance
Mineral resources	As a mineral development company the reporting of satisfactory mineral resource estimates is a key indicator of the potential of the Group and its projects	<p><i>Portugal:</i> An update was made in June 2023 to the previous JORC resource estimate for the Barroso Lithium Project (May 2019). As at June 2023 the JORC resource estimates is now:</p> <ul style="list-style-type: none"> Lithium: Measured Resources of 6.6Mt @ at 1.1% Li₂O; Indicated Resources of 11.8Mt @ at 1.0% Li₂O; and Inferred Resources of 9.6Mt @ at 1.1% Li₂O for a total of 28.0Mt at 1.05% Li₂O containing 293,400t of Li₂O. The additional Exploration Target² remained unchanged from 2019 at 11.0-19.0Mt at 1.0%-1.2% Li₂O The by-products (Grandao deposit only) JORC resource remained unchanged from 2019: Measured resources of 7.1Mt at 32.6% quartz and 42.8% feldspar, Indicated Resources of 6.3Mt at 34.6% quartz and 42.6% feldspar; and Inferred resources of 1.0Mt at 30.9% quartz and 40.3% feldspar for a total Mineral Resource of 14.4Mt at 33.4% quartz and 42.6% feldspar contained 4.79Mt of quartz and 6.11Mt of feldspar
Economic Studies	Satisfactory completion of economic studies is a key indicator of the viability of the Group's mine development projects	<p><i>The Barroso Lithium Project, Portugal:</i> During the year, the Company produced a new Scoping Study on the Project, which returned a post-tax NPV (8% discount rate) of USD953m, an IRR of 77% and a post-tax payback period of 1.3years.</p> <p>Following the positive DIA decision from the environmental regulator, Savannah restarted DFS-related fieldwork in the second half of 2023, including a two-phase approximately 13,500m/230 hole drilling programme, the first phase of which is expected to be completed in April 2024. Savannah expects to complete the DFS by the end of 2024.</p>

² Cautionary Statement: The potential quantity and grade of the Additional Resource Targets is conceptual in nature, there has been insufficient prospecting work to estimate a mineral resource and it is uncertain if further prospecting will result in defining a mineral resource.

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Section 172(1) Statement

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

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

Stakeholder Group	Importance of engagement	How did the Board and/or management engage
<p>Industry trade bodies & associations</p> <p>A list of the relevant industry trade bodies and associations of which Savannah is pleased to be a member can be found in the Governance table in the ESG section and on the Company's website</p>	<p><i>For Savannah:</i></p> <ul style="list-style-type: none"> Trade association can offer industry specific networking, training and education, technical advice, and support in interactions with governments, government departments, agencies, regulators, the media, and other stakeholders <p><i>For trade associations:</i></p> <ul style="list-style-type: none"> Interacting with Savannah offers a trade association another source of industry expertise; an opportunity to extend its network and reach, and an additional source of income and sponsorship 	<p>During the year members of the Savannah team regularly attended meetings, and interacted with relevant trade associations.</p>
<p>Shareholders/Investors</p> <p>A table of significant shareholders can be found on the Report of the Directors section and on the Company's website</p> <p>Key metrics are:</p> <ul style="list-style-type: none"> Cash Investment in Exploration & Evaluation Assets Share price <p>The Company has not issued additional investment instruments beyond shares and share-related warrants, such as corporate bonds, and therefore has no other class of investors</p>	<p><i>For Savannah:</i></p> <ul style="list-style-type: none"> To maintain access to capital in support of achieving the Group's stated business goals To receive feedback/ advice/ assistance on performance and execution of the Company's business plan <p><i>For the Shareholder/Investor:</i></p> <ul style="list-style-type: none"> To be kept informed on the Company's performance, changes to strategy and other developments To assist ongoing investment decision making 	<p>The key means of engagement with shareholders include:</p> <ul style="list-style-type: none"> AGM (held in person) Investor roadshows Meetings in relation to key news/questions (largely held online) Social media including X (formerly called Twitter) and LinkedIn Attending industry-related conferences and events Video interviews and corporate videos via the newly designed corporate website in English and Portuguese

STRATEGIC REPORT

Stakeholder Group	Importance of engagement	How did the Board and/or management engage
<p>Workforce The average number of monthly staff employed by the Company during 2023 was 19 (2022: 17) see Note 3 for further details</p>	<p>The Company's day to day running and long-term development relies on the recruitment, retention and incentivisation of staff, and provision of a safe working environment.</p>	<p>The key means of engagement with staff include:</p> <ul style="list-style-type: none"> • Regular internal calls, meetings and visits to Project sites by members of the Board and Executive Team • Remuneration framework including Long Term Incentive Plan (Share options) and Short Terms Incentive Plan (Annual Bonus)
<p>Community Savannah will be often working alongside communities at its project sites. For example, it works alongside a number of small communities at the Barroso Lithium Project. The Company aims to act with integrity, transparency and honesty in its dealings with communities and wishes for its host communities to benefit from its projects</p>	<p><i>For Savannah:</i></p> <ul style="list-style-type: none"> • To ensure that Health & Safety standards and other regulations relating to Savannah's interaction with the general public and public services are being met • To ensure it secures and maintains social acceptance of its business activities among the communities it works alongside through effective community engagement programmes • To ensure that indirect benefits from its operations are maximised among the local community • To receive feedback/ advice/ assistance on the above topics <p><i>For Communities:</i></p> <ul style="list-style-type: none"> • To receive relevant information about site-specific Health & Safety matters and other guidance relating to Savannah's interaction with the general public • Opportunity to receive up to date information on Savannah's business activities and programmes relevant to communities 	<p>Full details of the Group's community-related activities across its businesses can be found in the ESG Report.</p>

STRATEGIC REPORT

Stakeholder Group	Importance of engagement	How did the Board and/or management engage
	<ul style="list-style-type: none"> To register for and to take part in relevant community programmes To provide feedback on relevant topics To learn about job opportunities at a Savannah Project or to receive training/coaching 	
<p>Suppliers Savannah requires a wide range of services to maintain its business activities and uses a wide range of domestic and overseas suppliers to meet its needs. When Savannah moves into the development and production phase at an operation, supplier numbers are expected to rise significantly in-line with the scale up of the project concerned</p>	<p><i>For Savannah:</i></p> <ul style="list-style-type: none"> To maintain good working relationships and credit terms with suppliers to ensure the timely and cost-effective delivery of services and supplies To aid planning for future supply requirements and to identify suitable suppliers <p><i>For Suppliers:</i></p> <ul style="list-style-type: none"> To maintain a working relationship with its customer and provide product information To help with planning for changing levels of demand from a client To identify future business opportunities with an existing client 	<p>Savannah’s engagement with current and potential service suppliers has been widespread during the year. For example, considerable time has been spent working with existing suppliers of goods and services to the Barroso Lithium Project, and identifying and evaluating other groups which may provide key contract services during the construction and/or production phases of the operation. Additionally, the Company is a member of the local chamber of commerce in Portugal and where possible the use of local service providers will be prioritised.</p>
<p>Customers As a pre-production business, Savannah is yet to start generating revenue from sales of product to customers. However, the Company expects to supply products to a number of industrial customers over time, beginning with customers buying its lithium and by-product concentrate products from the Barroso Lithium Project</p>	<p><i>For Savannah:</i></p> <ul style="list-style-type: none"> To identify and build relationships with future customers to ensure our projects become viable commercial businesses To access capital for project development either directly from customers, or from other investors which view the establishment of customer relationships as a key de-risking factor in an investment decision 	<p>Management maintained its efforts to build relationships with multiple potential customers for its lithium and by-product concentrates from the Barroso Lithium Project as discussed in the Chairman’s Statement and CEO’s Report.</p>

STRATEGIC REPORT

Stakeholder Group	Importance of engagement	How did the Board and/or management engage
	<p><i>For Customers:</i></p> <ul style="list-style-type: none"> To build a working relationship with a well-managed, long term raw material supplier To secure a long-term supply of product from a responsible producer in markets where the outlook is for increasing global competition for supply, such as lithium 	
<p>Lenders Savannah currently has no corporate bonds or project finance loans but may seek to secure project finance as part of the financing mix for the development of its projects, such as the Barroso Lithium Project</p>	<p><i>For Savannah:</i></p> <ul style="list-style-type: none"> To identify and build relationships with future lenders to ensure sufficient finance can be secured to support project development <p><i>For Lenders:</i></p> <ul style="list-style-type: none"> To secure a future lending agreement with a responsible raw material producer operating in the battery metals sector 	<p>Management maintained a dialogue with potential project lenders in relation to the Barroso Lithium Project during the year. Discussions with these groups are expected to become more detailed once the DFS is completed as that study will be a key part of a lending bank's evaluation of the Project.</p> <p>The Company's ESMS incorporates elements from the International Finance Corporation's Performance Standards on Environmental and Social Sustainability, the World Bank Group's Environmental Health & Safety, Mining and General Guidelines.</p>
<p>Regulators/Government Depending on the jurisdiction, multiple departments and agencies of national, regional and/or local government can be involved in the licencing and monitoring of mining activities</p>	<p><i>For Savannah:</i></p> <ul style="list-style-type: none"> To build strong and supportive, working relationships with all relevant departments of government and to ensure that the Company receives and complies with the required licences and authorities to operate its projects <p><i>For governments:</i></p> <ul style="list-style-type: none"> To ensure that the Company is meeting its responsibilities as per its licences To understand the needs of Savannah as an operating entity with respect to relevant legislation 	<p>As outlined in the Chairman's Statement and CEO's Report, Management has had regular interaction with the relevant departments and personnel in the various levels of government in the country where it had operations during the period. Savannah views the establishment of active, two-way, relationships with government stakeholders as critical to the successful development of its projects and in its decision-making regarding the Company's long-term commitment to any jurisdiction.</p>

STRATEGIC REPORT

Stakeholder Group	Importance of engagement	How did the Board and/or management engage
<p>Environment</p> <p>Savannah is committed to minimising the environmental impact of its operations through design, monitoring, mitigation and remediation</p>	<p><i>For Savannah:</i></p> <ul style="list-style-type: none"> Savannah places great emphasis on minimising the environmental impact of its operations and also realises the importance placed on good environmental management by all project stakeholders including governments, communities, customers, investors and lenders 	<p>In parallel with all our project stakeholders, a priority for Savannah's Management is to minimise the Company's environmental impact, and work undertaken across all its project sites to date has been completed in accordance with the relevant environmental regulations.</p> <p>Having collected baseline data and engaged with relevant groups since 2018, in June 2020, Savannah submitted a new Environmental Impact Assessment and Mine Plan to APA, the Portuguese environmental regulator, for the Barroso Lithium Project as part of the overall licencing process for the Project.</p> <p>That submission was made public in April 2021 and underwent a public consultation between April and July of that year. Before giving its final decision on the EIA, the regulator recommended in July 2022 that the review process enter an additional phase of evaluation under Article 16 of the relevant EIA legislation during which Savannah could meet with the regulator's Evaluation Committee, receive feedback on its original design, and be given 180 working days to revise and resubmit its EIA. Savannah agreed to this proposal and resubmitted its EIA on 16 March 2023. The regulator conducted a second period of public consultation during March and April of 2023, and subsequently issued a positive environmental impact statement (DIA) on the Project with conditions, which Savannah accepted, in May 2023.</p>

STRATEGIC REPORT

Principal decisions

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

Information is presented below on a number of 'principal decisions' which the Board made during the course of 2023. Principal decisions are not defined in legislation but are considered material by the Board from the perspective of the Company, impacted stakeholder group, or both. In making the following principal decisions during the year the Board considered the outcome based on the relevant stakeholders as well as the need to maintain a reputation for high standards of business conduct and the need to act fairly between the members of the Group.

Principal Decision 1: Barroso Lithium Project Redesign and DIA Acceptance

In March 2023, the Company's subsidiary, which operates the BLP, submitted a significantly revised design for the Project under the Article 16 of Decree-Law No. 151-B/2013 ('Article 16') process, which regulates Environmental Impact Assessments in Portugal, and subsequently agreed to the terms which APA proposed as part of the DIA grant.

Assisted by its team of local and international engineering and environmental consultancies, the Company worked collaboratively with APA and the other authorities represented on the Evaluation Committee established under the EIA process, to ensure the updated submission addressed all concerns raised and recommendations made.

The Company supported APA's request to extend the public consultation period by a further 15 days, recognising that the significant amount of documentation we submitted to APA in our comprehensive optimisation of the Project may take time for interested parties to review. As expected, and in line with international practice, the DIA was issued with a set of conditions, measures and compensations which, following review, the Company agreed to.

In making the decision the Board considered:

- All stakeholders: Having an approved Project that has addressed all concerns raised and recommendations made is in the interest of all its stakeholders.
- Shareholders / Investors, Workforce, Customers, and Lenders: The changes made to the BLP design and subsequent DIA grant mean that the Company can move the Project towards production, and the staff have the confidence of the high quality and solid credentials of the Project they are working on.
- Community, Regulators / Government, and Environment: Significant changes were made to the BLP design in the Article 16 submissions, which resulted from working collaboratively with APA and the other authorities represented on the Evaluation Committee established under the EIA process, to ensure the updated submission addressed all concerns raised and recommendations made. The conditions issued with the DIA grant provide further assurance that the Project will be developed and operated in a socially and environmentally responsible way, and that socio-economic benefits will be shared with stakeholders.

Principal Decision 2: Scoping Study Publication

Following the DIA grant, the Company was able to finalise a new Scoping Study, which was published in June. It was the first economic study on the Project in five years, it included all the elements of the DIA compliant design, and it demonstrated that the new Project can have very attractive economics (post-tax NPV USD953m or 41p/share).

In making the decision the Board considered:

- Shareholders / Investors, Workforce, Customers, Lenders: The publication of the Scoping Study allowed the investment community to quantify the value of the BLP and its very attractive financial metrics provided further confidence to staff and potential customers that the Project is viable to take into production.
- Community, Regulators / Government, and Environment: The Scoping Study demonstrated the significant investments (approximately USD150m of combined CAPEX and OPEX) that the Company is dedicating to reducing the environmental and social impact of the Project.

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Principal Decision 3: Fundraise

Buoyed by the DIA and the new Scoping Study, the Company was then keen to accelerate key workstreams relating to the Definitive Feasibility Study and the compliance phase (RECAPE) of the environmental licencing process. To do this additional finance was required, and a successful GBP6.5m gross fundraise was completed in challenging market conditions in early July at 4.67p/share, par with the market price. The fundraise included existing shareholders (including the two largest, Al Marjan and Slipstream Resources), members of the Board, Management, new sector specialist institutional investors, and new and existing retail investors who participated via the Primary Bid retail offer. This resulted in a treasury of over GBP11m which allowed the Company to initiate with confidence work on the DFS, the RECAPE, and to take on new members of staff in key positions as the Company builds towards production.

In making the decision the Board considered:

- All stakeholders: Maintaining the Group as a going concern in the interest of all its stakeholders.
- Shareholders / Investors: The impact on existing shareholders of raising additional equity was considered with the Board weighing up the need to maintain the Group as a going concern and to be well-placed to take advantage of the strong market conditions and opportunities in the lithium sector, against the resulting equity dilution. The fundraising was also seen as an opportunity to attract new sector specific institutional equity investors into the Group which was considered a benefit to the Group's long-term financial stability. The funds raised provided a greater position of strength from which to develop the Company's BLP amid the backdrop of strong lithium pricing. The Primary Bid retail offer provided the opportunity for existing retail shareholders to participate in the fundraise.
- Workforce and Suppliers: The Board also concluded that securing more working capital would help the Group to retain key staff and suppliers who can help the Group achieve its business objectives.

Principal Decision 4: Appointment of CEO and Non-Executive Directors

Following the DIA grant, Scoping Study Publication and the fundraise in the summer, the Company appointed Emanuel Proença as the Company's first Portuguese CEO (effective September) to take the Company into the next stage of development. Emanuel joined from Prio Group, which is the largest producer and supplier of biofuels in Portugal and where, as CEO of 'Prio Supply', he grew EBITDA by 20 times in 6 years.

The Company also appointed two new Non-Executive Directors at the same time as Emanuel Proença's appointment. Bruce Griffin joined as an Independent Non-Executive Director, while Mohamed Sulaiman joined as Non-Executive Director, replacing the retiring Imad Sultan (Non-Executive Director since July 2016) as the Board representative of the Company's largest shareholder, Al Marjan.

In making the decision the Board considered:

- Shareholders / Investors, Customers, Lenders, and Environment: Emanuel Proença has a strong track record of success, including growing EBITDA by 20 times in 6 years at his previous company. He has a good knowledge of Portuguese Government processes, and good relations with industry regulators, commercial partners in the energy sector, and service providers. Bruce Griffin brings over 20 years of mining sector experience to the Company's Board and is currently Executive Chair of ASX-listed Sheffield Resources, which has recently built and commissioned its 10Mtpa Thunderbird minerals sands project in Australia. Mohamed Sulaiman is Head of Strategy at the Omani conglomerate business, Towell Group, and previously led Strategy and Performance at OQ, the Omani energy company and he has significant experience on the boards of both public and private companies, and in the energy sector.
- Workforce: Emanuel Proença has developed skills in managing a rapidly growing business, which are highly transferable to the Company.

STRATEGIC REPORT

- **Community and Regulators / Government:** Emanuel Proença has a strong record of maintaining a constructive rapport with local communities and other stakeholders. As the Company's first Portuguese CEO, Emanuel's appointment underlines the Company's commitment to Portugal and the Project and brings a fresh focus and immediacy to our efforts as the Company looks to develop its brand as an important, responsible and successful business in Portugal.

Principal Decision 5: Appointment of Investment Bank

Commercial interest in the Project and its spodumene lithium offtake has been strong for a number of years and increased significantly following the DIA approval and publication of a new Scoping Study in 2023. To quantify the commercial interest received, the Company initiated an orderly Strategic Partnering Process in July, in which interested parties were invited to submit proposals outlining how they could assist the Company with financing the Project's development as part of a long-term commercial relationship with the Company. Due to the high number of positive responses received from a wide range of groups, in November the Company appointed Barclays and Barrenjoey as joint financial advisers to lead on the Process.

In making the decision the Board considered:

- **Shareholders / Investors, Customers, and Lenders:** Additional expertise and capacity to help deliver the best partnering outcome for the Company. Barclays has country, industry and M&A specialists located across the world, including natural resources teams which have advised on a large number of significant transactions across the mining sector. Barrenjoey is a leading Australian financial services firm and has advised and been lead manager on significant transactions in the lithium space.

Principal Decision 6: Appointment of Legal Advisers / Independent Investigation (Operation Influencer)

On 7 November 2023, the Portuguese Public Prosecutor's Office announced publicly the existence of 'Operation Influencer', an investigation into possible active and passive corruption, undue influence, malfeasance and other wrongdoings in relation to a variety of "green" projects, and this included the award of the Company DIA. This has had a significant impact on the Company's brand, but it has not stopped the team working for a minute. However, the Company took proactive steps, to clarify the Company's position and re-establish confidence. This included: commissioning CMS Portugal (Rui Pena, Arnaut e Associados, RL), part of the internationally renowned law group CMS, to conduct an independent review of the Company's activities in relation to Operation Influencer; and commissioning additional legal opinions from a renowned Portuguese legal expert in constitutional and penal law, and also from the specialist Portuguese law firm, Gama Glória.

As a result, on 30 January 2024, the Company announced that the conclusions of the Independent Review and the Legal Opinions demonstrated the Company's solid legal position in relation to the alleged facts and circumstances contained in Operation Influencer (see Chairman's Statement for more details).

In making the decision the Board considered:

- **Shareholders / Investors, Workforce, Community, Suppliers, Customers, Lenders, Regulators / Government:** Whilst such exercises consume cash resources and Management time, taking proactive steps, to clarify the Company's position and re-establish confidence was essential for the Company's stakeholders (including potential long-term partners).

STRATEGIC REPORT

Approval of the Board

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

On behalf of the Board:

Matthew King

Chairman

Date: 12 April 2024

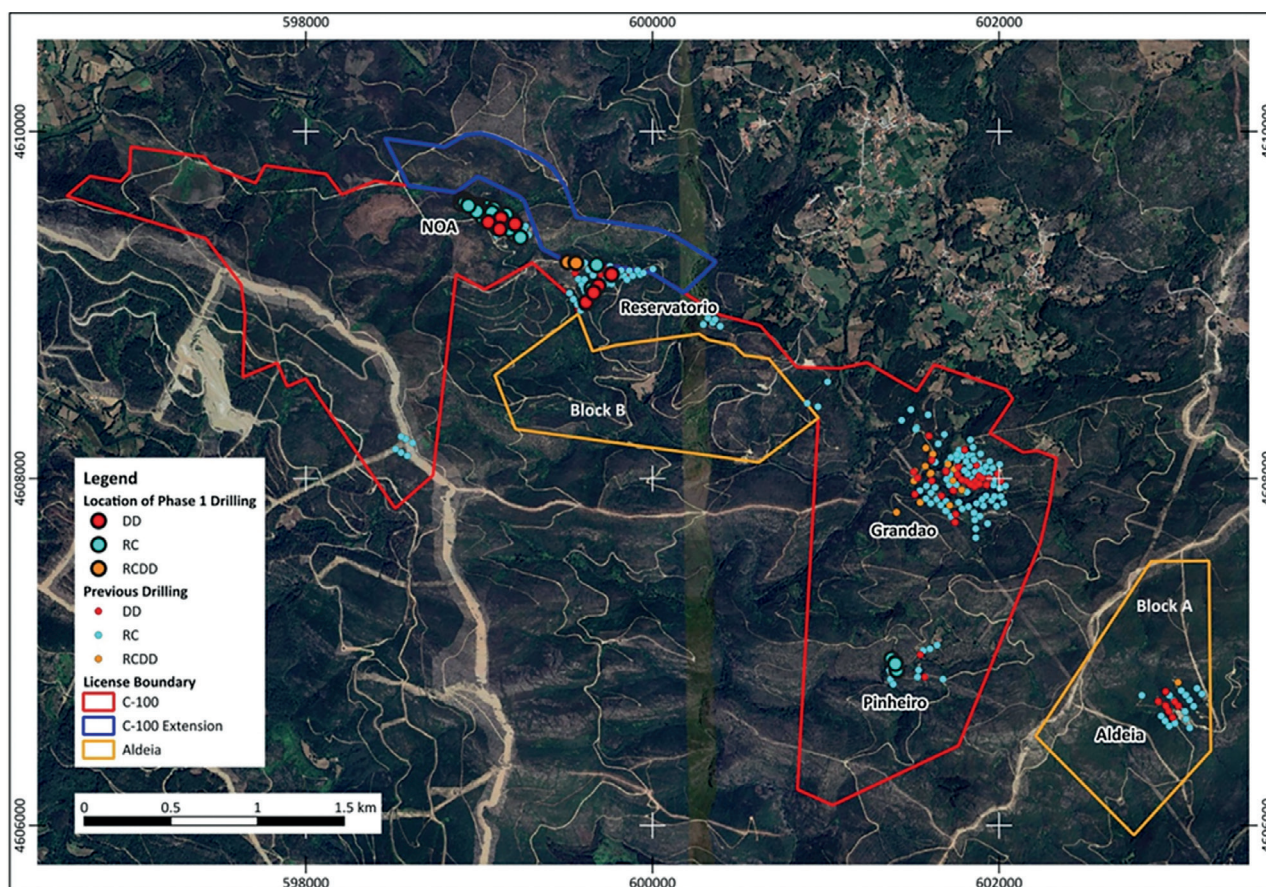
BARROSO LITHIUM PROJECT OVERVIEW

Overview and History of the Project

Located less than 2 hours' drive northeast of the city of Porto, the Barroso Lithium project covers an area of 8.36km² in the Barroso hills of northeast Portugal and consists of the 30-year C-100 Mining Lease (5.42km²), which was awarded to a previous owner in 2006 and can be extended by 20 years, and an adjacent, three block, Mining Lease Application area (2.94km²). Through Savannah's successful exploration programme, the Barroso Lithium Project (the 'Project') has been defined as the most significant source of spodumene lithium in Europe. In recent years, spodumene lithium deposits have surpassed brine deposits as the major source of lithium raw material production globally, and Savannah believes that the Barroso Lithium Project can become an important source of this 'conventional' lithium mineral for Europe's burgeoning domestic lithium battery industry.

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

Plan of the Barroso Lithium Project showing the location of drilling to date and the major orebodies:



Source: Company

Current Resources and Exploration Upside

To date Savannah's extensive exploration programme, which includes over 35,000m of drilling, has identified 8 deposits bearing spodumene lithium mineralisation on the project. From being a 'pre-resource' project when acquired, JORC compliant Mineral Resources have now been estimated on five of these deposits (4 on the C-100 licence and 1 on Aldeia Block A) which, as of June 2023, totalled 28.0Mt at 1.05% Li₂O (containing 293.4kt of Li₂O or 725.5kt of lithium carbonate equivalent), representing the most significant spodumene lithium resource in Western Europe.

BARROSO LITHIUM PROJECT OVERVIEW

Many of the lithium deposits on the project remain open to possible extensions through further exploration and an additional Exploration Target³ ranging from 11-19Mt at 1.0-1.2% Li₂O has been estimated on three of the deposits as of June 2023. The project currently has a combined resource and exploration target³ of 39-49Mt at 1.0 to 1.2% Li₂O hence, Savannah believes significant exploration upside remains with the potential to substantially extend the Project's operational life.

The Barroso Lithium Project's Lithium JORC Mineral Resource Estimate & Exploration Target³:

JORC Mineral Resource Estimate (June 2023, 0.5% Li ₂ O cut-off)					
Deposit	Resource Category	Tonnes (Mt)	Li ₂ O grade (%)	Fe ₂ O ₃ grade (%)	Li ₂ O contained (t)
Grandao	Measured	6.6	1.1	0.7	71,600
	Indicated	6.4	1.0	0.8	65,300
	Inferred	4.8	1.0	0.7	48,900
	Sub-total	17.7	1.04	0.7	181,800
Reservatorio	Measured	–	–	–	–
	Indicated	3.5	0.95	0.8	33,000
	Inferred	0.7	0.9	0.9	6,500
	Sub-total	2.0	0.9	0.7	39,500
Pinheiro	Measured	–	–	–	–
	Indicated	–	–	–	–
	Inferred	2.0	1.0	0.7	20,000
	Sub-total	2.0	1.0	0.7	20,000
NOA	Measured	–	–	–	–
	Indicated	0.4	1.2	0.8	4,200
	Inferred	0.3	1.0	0.9	2,900
	Sub-total	0.6	1.1	0.9	7,100
Aldeia	Measured	–	–	–	–
	Indicated	1.6	1.3	0.5	21,300
	Inferred	1.8	1.3	0.4	23,700
	Sub-total	3.5	1.3	0.4	45,000
All Deposits	Measured	6.6	1.1	0.7	71,600
	Indicated	11.8	1.0	0.7	119,800
	Inferred	9.6	1.1	0.9	102,000
	Grand Total	28	1.05	0.8	293,400

Rounding discrepancies may occur

Source: June 2023 JORC Resource update RNS

³ Cautionary Statement: The potential quantity and grade of the Additional Resource Targets is conceptual in nature, there has been insufficient prospecting work to estimate a mineral resource and it is uncertain if further prospecting will result in defining a mineral resource.

BARROSO LITHIUM PROJECT OVERVIEW

Exploration Target ⁴ Summary (June 2023)			
Deposit	Tonnage Range (Mt)		Li ₂ O grade (%)
	Low	High	
Reservatorio	5.0	7.0	1.0-1.2
Grandao	4.0	8.0	1.0-1.2
Aldeia	2.0	4.0	1.0-1.3
Total	11.0	19.0	1.0-1.2

Rounding discrepancies may occur

Source: June 2023 JORC Resource update RNS

Not just a lithium project

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

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

The Barroso Lithium Project's By-product JORC Mineral Resource Estimate:

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

Rounding discrepancies may occur

Source: September 2019 JORC Resource update RNS

Development of the Project

With the largest spodumene resource in Europe and the encouraging results in the initial Scoping study completed on the Project in 2018 (see section Economic Studies on the Project for further details), Savannah took the decision to progress the Project towards a Final Investment Decision point. While the Project has an existing Mining Lease, Savannah's plan to produce spodumene concentrate and mine on a larger scale than had been envisaged when the Mining Lease was awarded in 2006, meant it was necessary for the Project to receive a new Environmental Licence and have a new Mine Plan approved by the Portuguese authorities. Savannah must also justify its potential capital investment in the Project with a robust business case. Hence, the Company has been working to secure a new Environmental Licence for the Project and complete a Definitive Feasibility Study.

⁴ Cautionary Statement: The potential quantity and grade of the Additional Resource Targets is conceptual in nature, there has been insufficient prospecting work to estimate a mineral resource and it is uncertain if further prospecting will result in defining a mineral resource.

BARROSO LITHIUM PROJECT OVERVIEW

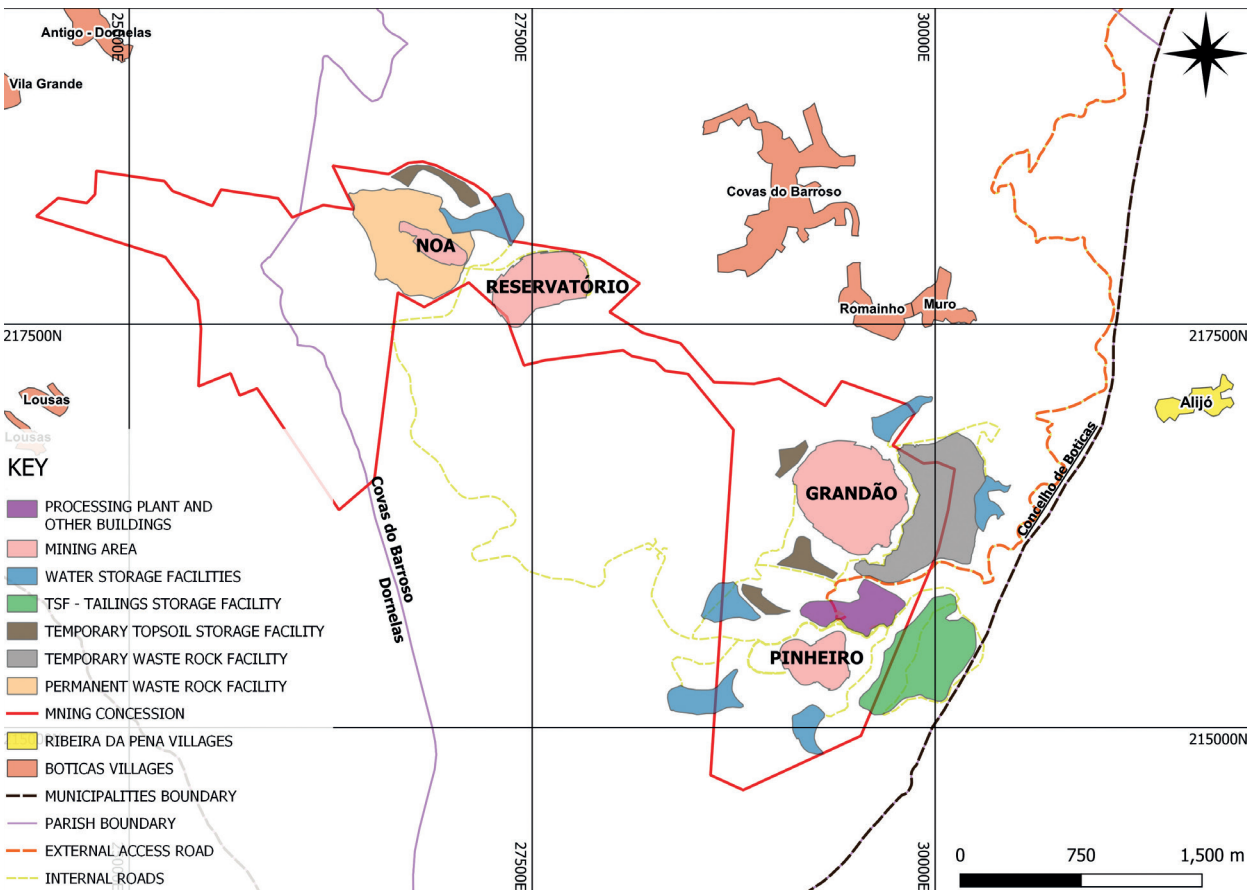
Environmental Licencing

For the Environmental Licencing process, Savannah first submitted its Environmental Impact Assessment and Mine Plan to APA, the Portuguese environmental regulator, in June 2020. An EIA study identifies all the potential environmental and social impacts a Project may have and details how the project’s proponents would monitor and minimise these impacts throughout all phases of the project’s life, including after its closure.

Following submission, Savannah’s EIA was made public in April 2021 and underwent a public consultation between April and July of that year. APA then continued with its review and consideration of feedback from the public consultation until July 2022 when it recommended that the review process enter an additional phase of evaluation under Article 16 of the relevant EIA legislation. In contrast to the initial period of the EIA review, Under Article 16 the applicant can meet with the regulator’s Evaluation Committee and receive feedback on its original design. Article 16 also has a closely defined schedule with the applicant given 180 working days to revise and resubmit its EIA based on the feedback received. Savannah agreed to this proposal, and after a series of productive meetings with members of APA’s Evaluation Committee and a period spent significantly revising the Project’s design and its operational plan, resubmitted its EIA and associated Mine Plan in March 2023. Under the legislation, the regulator then had 50 working days, until 31 May 2023 to review and publish its ‘Environmental Impact Statement’ (DIA) decision on the revised EIA. During this period a second public consultation period was also held (March - April 2023).

Savannah was delighted to receive a positive conditional DIA decision at the end of May 2023. Receipt of the DIA confirms the regulator’s approval of the proposed project subject to any conditions it imposes in the permission being met (as is standard international practice) in the final design and subsequent operation of the Project. The DIA award is the major approval in a multi-stage environmental licencing process and the project has now moved into the subsequent Environmental Compliance Report of the Execution Project (RECAPE) stage after which approval of the Project’s detailed final designs are received (DCAPE) and the Project’s final environmental title can be awarded.

Key elements of the Barroso Lithium Project during the operating phase as proposed in the 2023 revised EIA:



Source: Company

BARROSO LITHIUM PROJECT OVERVIEW

Work on the RECAPE phase of the process began over the summer of 2023 with the appointment of key contractors. Since then work has been underway on a range of fronts including, hydrogeology, seasonal studies of flora and fauna, archaeology, and social impact. Savannah expects to complete the work required for the RECAPE phase shortly after completion of the DFS, which it expects to complete by the end of 2024.

Once the DCAPE declaration has been made and the environmental licence received, Savannah will then be able to apply for the remainder of the licences required for the Project's development and operation. These licences cover permissions for construction and use of services on site such as power and water. In July 2023, Savannah initiated the process to licence a new 60KV connection and deviation of the existing grid power line which crosses part of the Lease area.

Key features of the DIA approved Project design and operational plan:

Parameter	Details
Footprint	<ul style="list-style-type: none"> Expanded C-100 Mining Lease: 593 hectares (5.93km²) Area which will be sequentially impacted and rehabilitated on the expanded C-100 Mining Lease: 271 hectares; less than half of the Lease's total area Agricultural land impacted on the C-100: 14 hectares (2.4%) of the Lease area or 0.21% of the total 1,127km² area which was categorised as Globally Important Agricultural Heritage System (GIAHS) by the Food and Agriculture Organisation in 2018 (Mining Lease awarded in 2006)
Operating times	<ul style="list-style-type: none"> Drilling 7am-8pm Mon-Fri; Blasting up to 3 times/week weekdays only 12 noon-3pm; Mining & on-site trucking 7am-11pm 7/7; Processing plant 24hr 7/7
External road transport	<ul style="list-style-type: none"> Road transport 7am-8pm Mon-Fri External access to the Project is via a new 11.6km road which connects to the R311 and a new 17km Boticas bypass road to connect to A24; No project traffic will pass through local villages and towns
Mining areas	<ul style="list-style-type: none"> Minimum distance to nearest house from edge of final mine area (Grandao) 560m Mining areas to be backfilled with inert waste rock, landscaped and re-vegetated using native species beginning in the second year of operation
Processing Plant	<ul style="list-style-type: none"> Engineered into hillside to be located below sight lines from local villages and to reduce noise pollution Includes a water recycling and treatment system with all water treated and 85% recycled for reuse Housed in an insulated building to further reduce noise
Tailings Storage Facility (TSF)	<ul style="list-style-type: none"> Tailings (waste from processing plant) is inert Tailings will be stored separately from mining waste rock at a safe distance from the Covas River TSF will be a highly stable 'dry stack' structure. The Project will not use a traditional 'wet' tailings dam For additional environmental protection, the TSF will be built on a waterproof lining The TSF will be revegetated progressively during the Project's life
Water Sourcing	<ul style="list-style-type: none"> No water extraction from the Covas River Water sourced on-site from the mining areas and other surface sources and recycled Any water courses interrupted by mining will be restored once mining finishes Water flowing towards the Project will be diverted to reach the Covas River

BARROSO LITHIUM PROJECT OVERVIEW

Parameter	Details
Water Storage	<ul style="list-style-type: none"> Water collected on the Project will be stored in small, purpose-built storage facilities Water storage facilities also act as sediment control structures to help with maintaining water quality
Waste Rock Storage & Reuse	<ul style="list-style-type: none"> Waste rock (rock which is not ore) stored in temporary or permanent structures Waste areas located to reduce impact & avoid water courses Permanent waste rock formations will be contoured into the existing landscape and revegetated
Ecology	<ul style="list-style-type: none"> Not drawing water from the Covas River helps preserve the local aquatic ecosystem, including the river mussel Removal of road bridges also reduces impact on aquatic ecosystem Impact on oak groves and meadows further reduced in latest project layout No mining at night avoids impact on nocturnal wildlife, including the Iberian Wolf Re-vegetation to utilise native species and other suitable plants with good pollination characteristics
Noise & Vibrations	<ul style="list-style-type: none"> Commitment to not exceeding a limit of 38 decibels at nearest house, less than noise of refrigerator, during day and night time operation, except when blasting Blasting will last 5-10 seconds and measure up to 55 decibels at nearest house (loudest 'Project noise' but less than a washing machine) Ground vibration from blasting to be 60% below legal limit as measured at nearest house
Air Quality	<ul style="list-style-type: none"> Dust identified as the most significant impact with no other notable airborne emissions Dust to be suppressed by: treating unpaved roads with water; fog cannons used when haul trucks dump their loads at the processing plant. Electric mining equipment and trucks to be used when available to remove vehicle CO₂ emissions
Environmental Reporting	<ul style="list-style-type: none"> Multiple environmental indicators (air quality, noise levels, ground vibrations, and water levels and water quality) will be monitored, in real time, through a series of sensors distributed across the Project and surrounding area. The data collected will be publicly reported 24 hours a day, 365 days a year. Everyone will have access to information through a smartphone app; Savannah's website; Information Centres and Public places in the local area.
Social benefits	<ul style="list-style-type: none"> 300+ direct jobs created Preferential trade with local businesses & producers Community foundation to receive cash donations from the Project to be used for community initiatives Environmental, historical, cultural and agricultural heritage projects supported; Social and educational support; Sharing of health & transport assets

BARROSO LITHIUM PROJECT OVERVIEW

Resource drilling during the 2023/24 programme:



Source: Company

Economic Studies on the Project

2018 & 2023 Scoping Studies

Savannah completed its first Scoping Study on the Project in 2018, based on a 'mineable resource' of 14.4Mt, throughput of 1.3Mtpa and average annual production of 175ktpa of 6% spodumene concentrate over a life of mine of 11 years. This study returned a post-tax NPV of USD241m and IRR of 48.6% based on an average spodumene concentrate price of USD685/t.

In June 2023, Savannah produced a new Scoping Study based on the Project based on a mineable resource of 20.5Mt and the design which had received the DIA from APA the month before. The key operating and economic parameters of that design are outlined in the table below, which compared to the 2018 Study saw average annual tonnage of concentrate production rise by 9% to approximately 190ktpa.

The Barroso Lithium Project 2023 Scoping Study Key Facts:

Operating Parameters and assumptions	
Mineable resource	20.5Mt at 1.05% Li ₂ O. All open pit.
Initial life of mine	14 years
Average Stripping ratio (waste: ore)	5.9:1
Average annual processing rate	1.5Mtpa
Processing route & recovery rate	Crush-grind-Dense Media Separation-flotation; 73% recovery
Average annual concentrate production & specification	191ktpa, at minimum 5.5% Li ₂ O

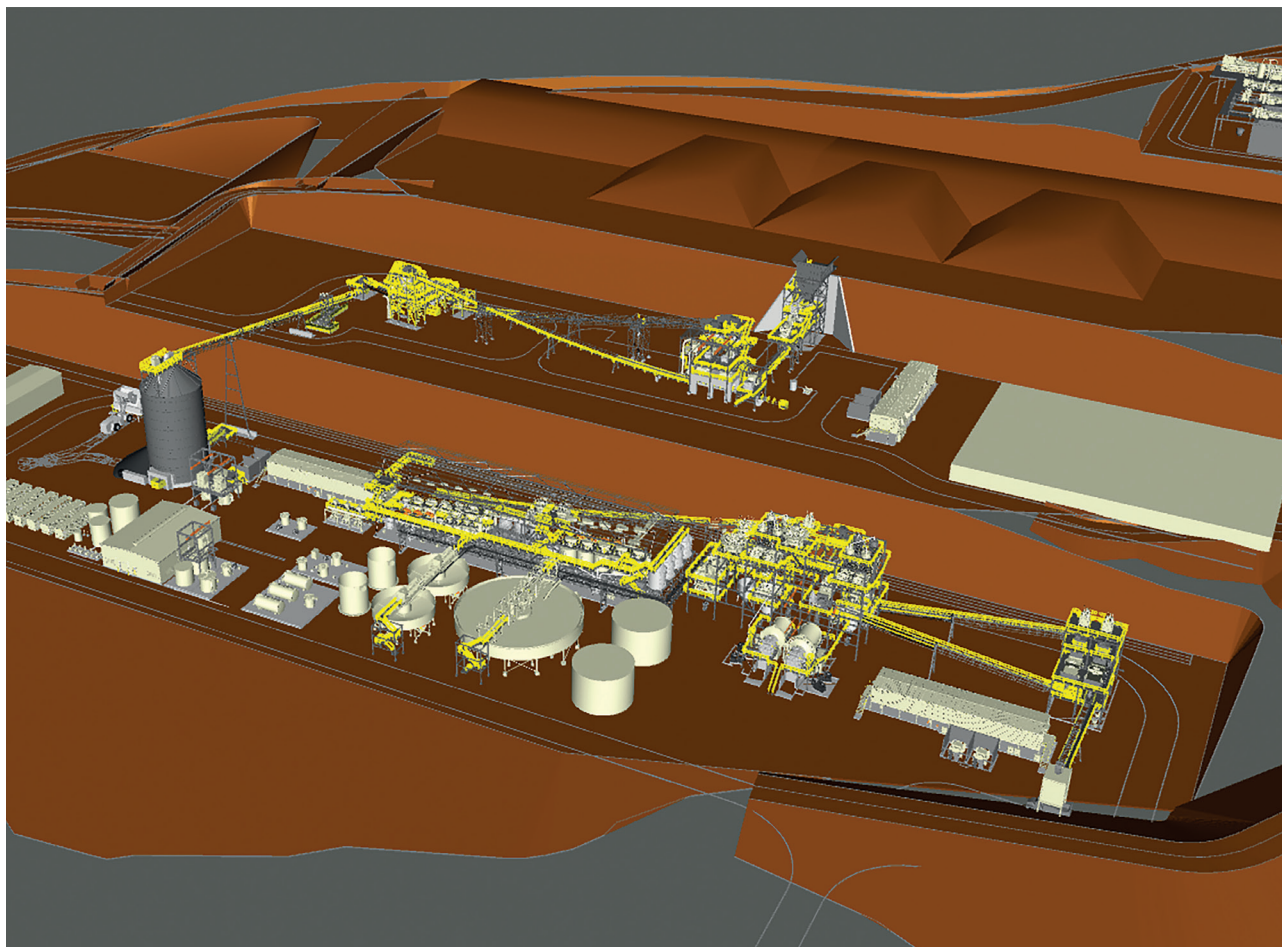
BARROSO LITHIUM PROJECT OVERVIEW

Operating Parameters and assumptions	
Concentrate production as Lithium carbonate equivalent ('LCE')/Lithium Hydroxide Equivalent ('LHE')	~26ktpa LCE; ~29.5ktpa LHE. Sufficient for ~0.5M 60kWh car battery packs per annum
Average annual by-product output	400ktpa of a bulk feldspar/quartz for use in the ceramics and other industries
Employment	~350 staff during the operating phase
Initial capex (ex. contingency/inc. contingency)	USD235.9m/USD280.3m (Additional 19% contingency of USD44.4m, included in financial model)
Sustaining capital & closure costs	USD49.3m & USD102m (total USD151.3m)
C1 Cash Operating cost (USD/t conc) <i>Includes all mining, processing, transport, G&A and community costs less feldspar-quartz ceramic by-products credits (-USD132/t concentrate); excludes royalties</i>	USD292/t
All in sustaining costs (USD/t conc) <i>Includes all mining, processing, transport, G&A and community costs, royalties, sustaining capex and closure & rehabilitation costs less net of ceramic by-products credits (-USD132/t concentrate)</i>	USD409/t
Financial & economic outcomes	
Average price assumptions	Spodumene concentrate (5.5% Li ₂ O): USD1,464/t; Feldspar/quartz by-product: USD53.5/t
Gross Revenue (Total; Avg pa)	USD4,151m; USD304m (includes by-product revenue)
EBITDA (Total, Avg pa)	USD2,793m; USD205m
Royalties (Total)	USD153m
Taxes (Total)	USD771m
Net Free Cashflow (Total; Avg pa)	USD1,694m; USD124m
Post-tax NPV (8% discount rate)	USD953m
Post-tax IRR	77.3%
Post-tax Payback	1.3 years

Source: June 2023 Scoping Study

BARROSO LITHIUM PROJECT OVERVIEW

Proposed layout of the Project's processing facilities:



Source: Company

Definitive Feasibility Study

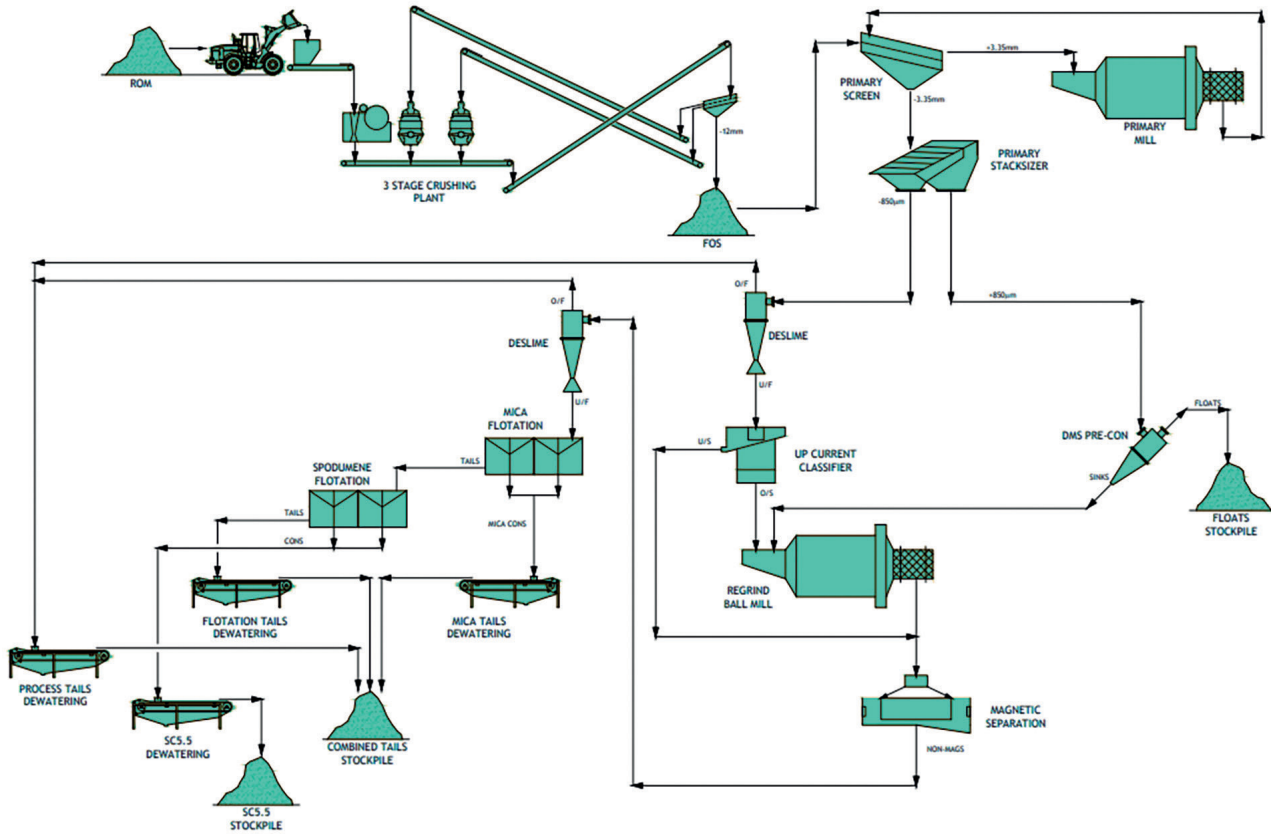
The DFS is a comprehensive technical and economic study of the proposed Project and will include among other elements; an updated JORC Resource for the Project as well as its maiden JORC Reserve estimate; final designs for site layout and associated infrastructure; schedules for mining, processing, storage of processed materials; commodity market studies; and capital and operating cost estimations, and a cashflow model.

Savannah has been working towards the DFS since the first Scoping Study was completed in 2018. The extended environmental licencing process (2020-23) subsequently impacted the timing of some elements of the Study, but work on the DFS restarted over the summer of 2023 beginning with the appointment of key contractors. Drilling then restarted in October, after a four-year break, for resource, geotechnical and metallurgical data. The first phase of resource-related drilling was completed in February 2024. New resource estimates are expected to be made from early Q2 2024 onwards on a deposit-by-deposit basis and Savannah expects to complete the DFS by the end of 2024.

Whilst further test work is planned, the process flowsheet for the concentrator plant was finalised in Q1 2022. Based on industry standard equipment and processing techniques and an environmentally friendly reagent regime, which complies with all relevant regulations and allows both mica and spodumene flotation to operate at near neutral pH, the plant will be capable of producing a high quality, spodumene concentrate grading $\geq 5.5\%$ Li_2O with low levels of impurities.

BARROSO LITHIUM PROJECT OVERVIEW

Simplified Process Flowsheet Block Flow Diagram:



Source: Company

Decarbonisation Study

In March 2022 Savannah announced the initiation of a Decarbonisation Strategy to support its goal of producing a net carbon zero lithium product from the Project. By setting this goal Savannah is helping to minimise the carbon footprint associated with the European lithium battery value chain, thus maximising the environmental benefit these batteries can bring. ECOPROGRESSO, a subsidiary of the Portuguese engineering and environmental consultancy, Quadrante Group, was commissioned to lead on the multiple phased study. Phase 1, which was focused on updating the estimate of the Project's greenhouse gases emissions based on international guidelines, and defining targets for overall emissions reduction was completed during 2022 and the results announced in February 2023. Key findings of the first phase study included; confirmation that battery electric mining equipment provides the most effective and flexible means to reduce Scope 1 emissions, which account for 68% of the combined Scope 1 & 2 total and; the Scope 2 emissions estimate being reduced by 54% from the 2019 estimate based on a lower power consumption at the Project's processing plant and a 41% reduction in the emissions associated with grid power due to the increase in contribution from renewable sources in the intervening period. The recommendations for ongoing studies to further reduce the Project's CO₂ footprint include assessing the options for securing a 100% renewable energy supply for the Project, and working with mining equipment OEMs to determine a site-specific solution for a transition to a battery operated mining fleet and associated charging infrastructure.

BARROSO LITHIUM PROJECT OVERVIEW

Development timetable

Based on the current schedule for the DFS and the licencing process Savannah expects to make a Final Investment Decision on the Project in early 2025.

Assuming the necessary finance can be sourced in a timely manner once a Final Investment Decision has been made, construction could begin in 2025 and completed in 2026 with first production at the Project later that year. If this schedule can be met, Savannah will be well placed to supply spodumene concentrate into the new merchant lithium chemicals plants being proposed in Europe, including two in Portugal, which are also targeting first production around this time.

Savannah's Exploration Manager, John Pereira, showing drillcore to a visiting university group, February 2024:



Source: Company

The Barroso Lithium Project – a first for Portugal in the new lithium battery industry

Portugal is already established as Europe's 'largest' lithium producer with approximately 600t produced in 2022 (source: USGS). However, all of the country's current lithium production is used in the domestic ceramics and glassware industries, and not in lithium battery production. Significant lithium mineralisation exists in Portugal, including at the Barroso Lithium Project, and in 2018 the Portuguese Government announced its 'lithium strategy' to support the development of a new national manufacturing industry to service the growing lithium battery market in Europe.

As part of this strategy, the Portuguese Government has earmarked six areas which are prospective for lithium mineralisation that will be made available for exploration via a public tender process in due course. This follows the publication of strategic environmental assessments on an initial nine areas and a public consultation round

BARROSO LITHIUM PROJECT OVERVIEW

which was completed in December 2021. As the most advanced lithium development company in the country, Savannah plans to participate in the tender process when it is initiated.

In parallel with its plans to develop its lithium mining industry the government published new legislation relating to mineral deposits in 2021, Decree-Law 30/2021 from 7 May, which sets more demanding standards of environmental sustainability, the sharing of economic benefits with the populations and gives more powers to municipality-level administrators in regard to mineral project development.

Given its own focus on low impact project design and maximising the benefits which can flow from mineral project development to stakeholders, Savannah welcomes this new legislation. The Company is already committed to developing the Barroso Lithium Project in a responsible way and by applying the best international practices that minimise the impact associated with the operation so that the maximum overall environmental benefit is gained from the lithium once it is incorporated into a battery. It also means that Savannah is dedicated to ensuring the best outcomes for the Project's stakeholders in terms of social, demographic and economic benefits.

While larger scale lithium mining alone would represent a new industry for Portugal, the government has stated that it wants to develop a domestic lithium industry that goes beyond mining and features downstream stages such as lithium chemical production. Hence, the Barroso Lithium Project must be seen as part of the first phase in the development of a much larger national concern as demonstrated by the large lithium chemical production plant proposals announced by two partnerships in December 2021. As a result of these objectives, the Barroso Lithium Project has received strong support at national government level. When lithium production is achieved at the Barroso Lithium Project, Portugal would be placed at the centre of the new European lithium battery supply chain which the European Commission is so keen to establish as part of its efforts to combat climate change while maintaining the region's large automotive industry. The transport sector is the second largest generator of emissions (CO₂ equivalent) in the EU behind energy supply, and the transition to mass adoption of zero or low emission vehicles is a key part of the European Commission's target of achieving a net zero carbon economy by 2050.

REPORT OF THE DIRECTORS

The Directors present their report with the Financial Statements of the Company and the Group for the year ended 31 December 2023.

Dividends

The Directors do not recommend the payment of a dividend (2022: GBPnil).

Events Since the Reporting Date

This information is contained in Note 23 to the Financial Statements.

Directors

The Directors who have held office during the period from 1 January 2023 to the date of this report (unless otherwise stated) are as follows:

Dale John Ferguson

Bruce Griffin (appointed on 12 September 2023)

Mary Jo Jacobi

Matthew James Wyatt King

James Gerald Leahy

Manohar Pundalik Shenoy (passed away in September 2023)

Diogo da Silveira

Mohamed Sulaiman

Imad Kamal Abdul Redha Sultan (retired from the Board on 12 September 2023)

Directors' Indemnity

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

Financial Instruments Risk

This information is contained in Note 17 to the Financial Statements.

Future Development

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

Key Stakeholder Groups and Principal Decisions

Details of how the Directors have had regard to the need to foster Savannah's business relationships with suppliers and others, and the principal decisions taken by the Company during the year, can be found in the Strategic report in Section 172 (1) Statement.

Going Concern

This information is contained in the Strategic Report in the Key Financial Performance Indicators and Milestones section and in Note 1.

Streamlined Energy & Carbon Reporting ('SECR')

The Group does not meet the SECR requirements and therefore is not required to perform this reporting.

Statement as to Disclosure of Information to Auditors

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

Auditors

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

REPORT OF THE DIRECTORS

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

	No. of shares held at 31 December 2023	No. of shares held at 31 December 2022
Dale John Ferguson	51,037,625 ¹	50,649,510 ¹
Bruce Griffin	1,110,572	–
Mary Jo Jacobi	578,900	–
Matthew James Wyatt King	3,564,394	2,916,528
James Gerald Leahy	1,682,955	1,365,889
Diogo da Silveira	1,070,663	–
Mohamed Sulaiman ²	–	–

¹ 46,335,639 shares (2022: 46,161,656 shares) held indirectly through Slipstream Resources International Pty Ltd

² The Director indicated is a representative of Al Marjan Ltd which held 275,762,589 shares at the reporting date (2022: 268,262,589 shares)

Details of Directors' remuneration are disclosed in the Remuneration Report.

Details of Directors' interests in Share Options are disclosed in the Remuneration Report.

Substantial Shareholding

At the date of this report the Company has been notified or is aware of the following interest in the shares of the Company of 3% or more of the Company's total issued Share Capital¹:

Name of Shareholder	No. of shares	%
Al Marjan Ltd (Director ²)	275,762,589	15.08%
Slipstream Resources International Pty Ltd	148,274,045	8.11%
Mário Nuno dos Santos Ferreira	91,600,000	5.01%

¹ Except those exempts under DTR 5.1.5 regulation

² One Director is representative of Al Marjan

On behalf of the Board:

Matthew King
Chairman

Date: 12 April 2024

REMUNERATION REPORT

The Remuneration Committee is comprised of James Leahy (Chairman), Bruce Griffin and Diogo da Silveira. Manohar Shenoy also served as a member of the Committee and on his passing, Bruce Griffin joined the Committee in September 2023.

The main purpose of the Remuneration Committee is to:

- be independent Non-Executive Directors in determining and reviewing the remuneration of executives on behalf of the 'Board'; and
- ensure that remuneration policies and packages attract, retain and motivate quality Directors and Senior Management whilst not exceeding market rates.

Procedures for developing policy and fixing remuneration

The Remuneration Committee fixes executive remuneration and ensures that no Director is involved in deciding his or her own remuneration. The Remuneration Committee is authorised to obtain outside professional advice and expertise. The Remuneration Committee is authorised by the Board to investigate any matter within its Terms of Reference, and it is authorised to seek information that it requires from employees and professional advisers.

Details of the remuneration policy

The fees to be paid to the Executive Directors and Senior Management are set by the Remuneration Committee. Non-Executive Directors fees are determined by the Board as a whole, based on a review of the current practices in other companies and recommendations by the Executive Director, CEO and CFO.

Directors' service agreements

Service agreements for Directors and Senior Management are terminable by either party on notice periods up to a maximum of 6 months.

Directors' remuneration

The following remuneration information comprises Directors' fees and 'benefits in kind' that were paid to the Directors and the CEO during the year:

	Directors' emoluments 2023					Directors' emoluments 2022			
	Salary	Bonus	Non-cash Shares/Share Options	Other Benefits	Total	Salary	Bonus	Non-cash Shares/Share Options	Total
	£	£	£	£	£	£	£	£	£
Executive Director and CEO									
Dale Ferguson	298,190	66,986 ¹	37,338	–	402,514	241,142	16,274 ¹	41,413	298,829
Emanuel Proença	99,608 ²	– ³	74,481 ³	641	174,730	–	–	–	–
Non-Executive Directors									
Matthew King	65,000	–	–	–	65,000	65,000	–	–	65,000
Bruce Griffin ⁴	12,111	–	–	–	12,111	–	–	–	–
Mary Jo Jacobi	40,000	–	–	–	40,000	29,282	–	–	29,282
James Leahy	40,000	–	–	–	40,000	40,000	–	–	40,000
Manohar Shenoy ⁵	40,000	–	–	–	40,000	–	–	–	–
Diogo da Silveira	50,000	–	–	–	50,000	6,941	–	–	6,941
Mohamed Sulaiman ⁴	–	–	–	–	–	–	–	–	–
Imad Sultan ⁶	–	–	–	–	–	–	–	–	–
	644,909	66,986	111,819	641	824,355	382,365	16,274	41,413	440,052

¹ 2023 Bonus unpaid as at 31 December 2023. 2022 Bonus unpaid as at 31 December 2022

² Includes GBP39,799 related to employment related accruals under Portuguese labour law (e.g. holiday accrual)

³ Bonus to be settled by the issue of 2,011,880 new ordinary shares of 1 pence each over the Company's Share Capital, of which GBP43,423.08 has been recognised in 2023 under Non-cash Shares/Share options, and GBP31,016.48 will be recognised in 2024. These shares were unissued as at 31 December 2023 and will be issued during 2024

⁴ Appointment as Directors on 12 September 2023

⁵ Passed away in September 2023

⁶ Termination of appointment as Director on 12 September 2023

REMUNERATION REPORT

The Board recognises that Directors' remuneration is a legitimate concern of the Company's shareholders and it is committed to following the current best business practices. The Company operates within a competitive environment and its performance depends on the individual contributions of the Directors.

The Board's policy is to provide executive remuneration packages designed to attract, motivate and retain directors of the calibre necessary to advance the Company's position and to reward the Directors (and Senior Management) for enhancing shareholder value and return. The Company aims to provide sufficient levels of remuneration to do this, but to avoid paying more than necessary; the remuneration will also reflect the Directors' duties and responsibilities.

Dale Ferguson stepped down as the Interim CEO in September 2023 and the Board approved the appointment of Emanuel Proença as CEO. Whilst acting as Interim CEO (and Technical Director), the Company applied a temporary adjustment to Dale Ferguson's monthly fees in consideration of the expanded role (an additional payment of AUD24,360.83 (2022: AUD23,766.66) per month). Emanuel Proença joined the Company as the CEO in a Non-Board capacity and he will be appointed to the Board in April 2024. The Company sought advice from Korn Ferry (which led the competitive executive search process) for the remuneration benchmarking and implementation thereof in line with the Company's framework.

This includes a signing-on bonus of EUR100,000, payable in 5,000,000 Share Options over the Company's ordinary shares of 1 pence each and a bonus for 2023 of EUR86,667 payable in 2,011,880 new ordinary shares of 1 pence each over the Company's Share Capital. Both the Share Options and the Shares will be issued during 2024.

In the calendar year, the Board appointed two Non-Executive Directors, with Bruce Griffin and Mohamed Sulaiman joining the Company in September 2023. Mr Sulaiman represents the Company's largest shareholder, Al Marjan Ltd., and is not paid for the role.

Dale Ferguson was awarded a 2.5% pay rise in 2023 to partially reflect the inflationary environment.

Remuneration Policy and Long-Term Incentive Plan

In 2019, the Remuneration Committee undertook a review of remuneration packages and developed a new remuneration policy aimed at rewarding performance, encouraging retention of key staff and aligning their interests with those of shareholders. This resulted in a long-term incentive plan ('LTIP') intended to support this policy being implemented in March 2019 which is designed to incentivise the Company's Executive Management Team and other key employees. Along with the implementation of the LTIP, the Remuneration Committee established an overall remuneration policy which included benchmarking exercises, feedback from institutional shareholders and engaging internationally recognised consulting firm Alvarez and Marsal. This resulted in a remuneration policy for the Executive Directors which combines short term incentives ('STI' – cash bonus which is assessed against key business objectives) and long-term incentives ('LTI' – under the Company's LTIP). The STI is based upon maximum potential bonus of 100% of base salary for the CEO / Technical Director and is assessed against key business objectives.

The LTIP was established to encourage long-term value creation for Savannah's shareholders and to align the interests of the participants with shareholders. Awards under the LTIP take the form of options over the Company's ordinary shares of 1 pence each, (the 'Options'). The Board believes that the implementation of the LTIP will incentivise the participants and will also help Savannah to attract and retain talented individuals in the future as the Company expedites the development of its mining projects. The LTIP allows for up to 7.5% of the Company's issued share capital to be allocated to employees. The Remuneration Committee adopted a policy whereby up to 5% of the Company's issued share capital should be made available via the LTIP to the Executive Management Team only, with the balance being available to other employees. These percentages are reviewed annually by the Company's Remuneration Committee and did not change between 2022 and 2023. The LTIP also includes malus and clawback clauses.

The LTIP is a Share Option scheme of the kind commonly adopted by listed companies. The Remuneration Committee took advice and recommendations from leading remuneration consultancy, Alvarez and Marsal.

REMUNERATION REPORT

During 2023 the Company agreed to issue 15,000,000 share options to the CEO, Emanuel Proença, under the LTIP. These share options have not been issued as at 31 December 2023 and should be issued in 2024. No Share Options were issued in 2022 under the LTIP.

During 2023 the Company agreed to issue 5,000,000 share options (equivalent to EUR 100,00) to the CEO, Emanuel Proença, as part of the agreed signing Bonus on his appointment. These share options have not been issued as at 31 December 2023 and should be issued in 2024 under the same conditions than the LTIP share options.

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

	Options at 1 Jan 2023	Quantity granted during the year	Exercised during the year	Lapsed during the year	Options at 31 Dec 2023	Exercise price	Date of the grant	First date of exercise	Final date of exercise
Dale Ferguson ^{1,3}	3,000,000	–	–	–	3,000,000	10.0p	11/03/19	11/03/22	11/03/24
Dale Ferguson ²	3,625,000	–	–	–	3,625,000	4.7p	30/06/21	30/06/24	30/06/29
Dale Ferguson ²	3,625,000	–	–	–	3,625,000	6.2p	30/06/21	30/06/24	30/06/29

¹ Granted under the 2019 LTIP

² Granted under the 2021 LTIP

³ Share Options were not exercised and expired on 11 March 2024

In addition, to the share options included in the above table, the Company is committed to issue a total of 20,000,000 Share Options to the CEO, Emanuel Proença, as part of the agreement signed in September 2023. These Share Options are expected to be issued during 2024. The details of these is as follows:

- 10,000,000 share options with exercise price 4.74p, start date 18 September 2023, vesting date 18 September 2026 and expiry date 18 September 2031.
- 10,000,000 share options with exercise price 6.32p, start date 18 September 2023, vesting date 18 September 2026 and expiry date 18 September 2031.

A share based payment charge has been recognised during the year for these share options to be issued.

	Options at 1 Jan 2022	Quantity granted during the year	Exercised during the year	Lapsed during the year	Options at 31 Dec 2022	Exercise price	Date of the grant	First date of exercise	Final date of exercise
Dale Ferguson ¹	3,000,000	–	–	–	3,000,000	10.0p	11/03/19	11/03/22	11/03/24
Dale Ferguson ²	3,625,000	–	–	–	3,625,000	4.7p	30/06/21	30/06/24	30/06/29
Dale Ferguson ²	3,625,000	–	–	–	3,625,000	6.2p	30/06/21	30/06/24	30/06/29

¹ Granted under the 2019 LTIP

² Granted under the 2021 LTIP

No Share Options were granted to the Non-Executive Directors.

The QCA updated its Corporate Governance Code and recommended that companies start to apply its new (2023) code in respect of accounting periods commencing on or after 1 April 2024. In respect of Principle 9 (Establish a remuneration policy which is supportive of long-term value creation and the Company's purpose, strategy and culture), the Company has started to review how the Company's Remuneration Policy is aligned with the Company's purpose, strategy and culture to motivate Management and promote long-term growth in shareholder value.

On behalf of the Board:

James Leahy

Chairman of the Remuneration Committee

12 April 2024

CORPORATE GOVERNANCE STATEMENT

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

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

The QCA has launched an updated 2023 Code. The Company has begun a review of the key changes to consider in good time any enhancements to the Company's existing Corporate Governance arrangements and any necessary updates to the Company's procedures and disclosures which will be reported in the Annual Report and Financial Statements for the year ending 31 December 2025.

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

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

The Board of Directors

The Board comprises of one Executive Director, and six Non-Executive Directors. Ordinarily, the Board formally meets approximately every quarter, and convenes for business updates in between those formal meetings. The Board is responsible for setting and monitoring group strategy, reviewing budgets and financial performance, ensuring adequate funding, examining

major portfolio management matters, formulating policy on key issues and reporting to the shareholders.

Various board changes occurred in September 2023: Imad Kamal Redha Sultan retired from the Board as a Non-Executive Director and was replaced by Mohamed Sulaiman as the Board representative of Savannah's largest shareholder, Al Marjan. Mr Sulaiman has significant experience on the boards of both public and private companies, particularly in the energy sector. Bruce Griffin joined the Board as a Non-Executive Director bringing over 20 years of mining sector experience to Savannah's Board. This followed the appointment in 2022 of Mary Jo Jacobi and Diogo da Silveira as independent Non-Executive Directors. Mary Jo Jacobi is a leader of the ESG movement and oversees the Company's ESG program, and has a wealth of relevant industry and government experience. Diogo da Silveira is a highly experienced business leader with extensive experience in Portugal and Europe, and has strengthened the Company's network within Portugal.

In September 2023, the Company announced the sad passing of Manohar Shenoy, Non-Executive Director. Manohar joined Savannah's Board in 2016 as an alternate Director as one of the nominees of Al Marjan, Savannah's largest shareholder. He became a Non-Executive Director in his own right in April 2022 and was Chairman of the Board's Audit and Risk Committee and served on the Remuneration Committee.

Matthew King (Chairman), and Non-Executive Directors Bruce Griffin, Mary Jo Jacobi, James Leahy and Diogo da Silveira are all deemed to be independent by the Company, in compliance with the QCA 2018 Code (Principle 5), Board's recommendation of having more than 50% of the Board being Independent Directors. These independent Non-Executive Directors hold 8,007,484 shares which represent 0.44% of the Company's issued Share Capital.

Emanuel Proença joined the Company as the CEO in a Non-Board capacity on the 18 September 2023 and he will be appointed to the Board in April 2024.

An annual board evaluation program is run by an external facilitator collating feedback from Directors on the Board performance and Directors' performance via self-assessment questionnaires. The results are reviewed by the Company Chair and Nomination Committee, and action plans prepared accordingly.

CORPORATE GOVERNANCE STATEMENT

Internal Financial Control

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

The Audit and Risk Committee

The Audit and Risk Committee comprises of three Non-Executive Directors – Mohamed Sulaiman (who chairs the Committee), Mary Jo Jacobi and Diogo da Silveira.

The Committee's key responsibilities with respect to audit are for ensuring that the financial performance of the Group is properly reported on and monitored, and for meeting the auditors and reviewing the reports from the auditors relating to accounts and internal controls. It also reviews the Group's annual and interim Financial Statements before submission to the Board for approval.

The Committee's key responsibilities with respect to risk are supporting the Board in its assessment of enterprise risk and the determination of risk appetite as part of the overall setting of strategy for the Group. It also assists the Board in its oversight of the Group's risk management framework including monitoring its effectiveness. The Group operates a Risk Register, with the intention of allowing risks to be identified, tracked and addressed in order to mitigate any potential damage to the Group or its businesses. The Committee facilitates the management of the Risk Register, in conjunction with the Board, senior managers and appropriate professional advisers. The Committee also reviews any items reported under the Company's Code of Conduct and whistleblowing procedure.

A risk workshop is run annually by an external facilitator with the purpose of challenging discussions with the Board on the Company's risks and drive actions to enhance the Company's approach to risk management (managed in the Risk Register report).

In 2023 Internal Audit reviews were completed for UK and Portugal operating entities, and the results of the tests demonstrated that controls were adequate to the nature and scale of the operations of the entities, and no material instances of noncompliance were noted.

The Remuneration Committee

The Remuneration Committee comprises of three Non-Executive Directors – James Leahy (who chairs the Committee), Bruce Griffin, and Diogo da Silveira. It is responsible for reviewing the performance of the Executive Directors and Senior Management and for setting the scale and structure of their remuneration, paying due regard to the interests of shareholders as a whole and the performance of the Group. The remuneration of the Chairman and any Non-Executive Director is determined by the Board as a whole, based on a review of the current practices in other companies and recommendations by the Executive Director, CEO and CFO.

In 2023, the Remuneration Committee, supported by Korn Ferry (which led the competitive executive search process), led the review for the remuneration package setting for Emanuel Proença for the permanent CEO role including benefits benchmarking.

The AIM Rules Compliance Committee

The AIM Rules Compliance Committee comprises one Non-Executive and one Executive Director – Matthew King (who chairs the Committee) and Dale Ferguson, the Technical Director (Interim CEO up to 18 September 2023). It is responsible for ensuring that resources and procedures are in place to ensure the Company is at all times in compliance with the AIM Rules for Companies and the Market Abuse Regulations. The Committee is responsible for the Company's Corporate Governance Code management. The Committee is also responsible for ensuring that the Executive Directors and Management are communicating effectively with the Company's Nominated Adviser.

The Nominations Committee

The Nominations Committee, established in February 2021, comprises three Non-Executive Directors – Matthew King (who chairs the Committee), Mary Jo Jacobi and Mohamed Sulaiman. It is responsible for reviewing the structure, size, and composition of the Board of Directors, giving consideration to succession planning for Directors and Senior Executives, and identifying and nominating candidates for the approval of the Board as required. It is also responsible for monitoring the performance of the Board of Directors.

CORPORATE GOVERNANCE STATEMENT

The Nomination Committee played an instrumental role in the changes to the Board Composition in 2023, which saw the Board strengthened by the addition of Bruce Griffin who has over 20 years of mining sector experience and Mohamed Sulaiman who has significant experience on the boards of both public and private companies, and in the energy sector.

Anti-Bribery and Corruption

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

The necessary controls and procedures required in order to comply with the UK Bribery Act 2010 were updated by the Board in 2021 and will continue to be monitored for appropriateness and effectiveness.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Directors' Responsibilities

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

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors are required to prepare the Group and Company Financial Statements in accordance with UK adopted international accounting standards. Under Company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period.

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

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

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

Website Publication

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

REPORT OF THE INDEPENDENT AUDITORS

to the members of Savannah Resources Plc

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2023 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Savannah Resources Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2023 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Statements of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Basis for opinion

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

Independence

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

Material uncertainty related to going concern

We draw attention to Note 1 to the financial statements which indicates that the Group and Parent Company require additional funding for which there are currently no binding agreements in place and therefore there is no guarantee that additional funding will be received. As stated in Note 1, these events or conditions, along with the other matters set out in Note 1 indicate that a material uncertainty exists that may cast significant doubt on the Group and Parent Company's ability to continue as a going concern. The financial statements do not include any adjustments that would result if the Group and Parent Company were unable to continue as a going concern. Our opinion is not modified in respect of this matter.

For the reasons set out above and based on our risk assessment, going concern was determined to be a key audit matter.

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

- Assessing the reasonableness of Directors' forecast expenditure for a period of at least twelve months from the date of approval of the financial statements by reference to Directors' budgeted activity and actual expenditure in 2023;

REPORT OF THE INDEPENDENT AUDITORS

to the members of Savannah Resources Plc

- Checking the mathematical accuracy of the forecast and agreeing the current cash resources to supporting documentation;
- Considering the mitigating actions available to management such as deferring uncommitted capital expenditure on the Barroso Lithium Project and confirming whether these are reasonable and within management's control;
- Inspected correspondence with Barclays Bank Plc indicating the process of seeking funding is in progress; and
- Reviewing the adequacy and consistency of the disclosures within the financial statements in respect of going concern with the Directors assessment including the key judgements made by the Directors.

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

Overview

Coverage	97% (2022: 94%) of Group profit before tax 100% (2022: 100%) of Group total assets		
Key audit matters		2023	2022
	Carrying value of the Exploration and Evaluation assets	✓	✓
	Going concern	✓	✓
Materiality	Group financial statements as a whole £461,000 (2023:£390,000) based on 1.5% (2022: 1.5%) of total assets		

An overview of the scope of our audit

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

Our Group audit scope focused on the Group's principal operating location being the Barroso Lithium Project in Portugal held in Savannah Lithium Unipessoal Lda, and the Parent Company, both of which were subject to full scope audits. These represent the significant components of the Group.

The remaining components of the Group were considered non-significant and the financial information of these components were principally subject to analytical review procedures by the Group engagement team, together with additional detailed testing over UK components subject to a statutory audit where applicable.

The Group engagement team performed the audit of the Parent Company and the Portuguese component, Savannah Lithium Unipessoal Lda, was audited by a BDO network member firm in Portugal.

Our involvement with component auditors

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

- Detailed Group reporting instructions were sent to the component auditor, which included an assessment of the areas determined to be higher audit risk (including areas that were key audit matters), and set out the information required to be reported to the Group audit team.

REPORT OF THE INDEPENDENT AUDITORS

to the members of Savannah Resources Plc

- The Group audit team was actively involved in the direction of the audit performed by the component auditor for the Group reporting purposes, review of their working papers, consideration of findings and determination of conclusions drawn.
- The Group audit team reviewed the component auditor's work papers remotely, including review of group reporting documents and engaged with the component auditor regularly during their planning, fieldwork and completion phases.
- The Group audit team performed procedures in respect of the significant risk areas that represented Key Audit Matters in addition to the procedures performed by the component auditor.

Key audit matters

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

Key audit matter

Carrying value of the Exploration and Evaluation Assets (notes 1 and 8)

The Group holds one exploration and evaluation asset being the Barroso Lithium Project in Portugal. Accounting standards require Management to carry out an assessment at least annually for any indicators of impairment. This requires significant management judgement, which is explained in the section on key judgements relating to the Carrying value of Exploration and Evaluation Assets in note 1 to the financial statements. Therefore we considered this to be a key audit matter

How the scope of our audit addressed the key audit matter

We reviewed and assessed whether Management's assessment was performed in accordance with the requirements of IFRS 6. We challenged Management's assessment of the indicators of impairment of the Barroso Lithium Project in Portugal, by performing the following procedures:

- We agreed management's assessment to third party supporting documentation where applicable, including:
 - Scoping studies,
 - Exploration and mining licence permits,
- We reviewed the Group's Mina do Barroso mining licence which expires in 2036 and has a 20 years' extension available. We checked compliance with licence terms through inspecting supporting documents.
- We reviewed Management's plans and budgets to establish whether the Group is committed to the development of the project and that substantive expenditure on further exploration and evaluation of mineral resources in the area is budgeted and planned. We checked consistency of these with the Going concern forecasts.
- We considered whether the asset would be commercially viable with reference to the revised scoping study and the future lithium prices as per Consensus Economics forecasts.
- We reviewed RNS announcements, minutes from the meetings of Directors and news articles to check whether there were any other potential impairment indicators.

Key observations:

We consider the judgements made in the impairment indicators assessment of Exploration and Evaluation Assets prepared by Management to be reasonable.

REPORT OF THE INDEPENDENT AUDITORS

to the members of Savannah Resources Plc

Our application of materiality

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

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

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

	Group financial statements		Parent company financial statements	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Materiality	461	390	346	310
Basis for determining materiality	1.5% of total assets		75% of Group Materiality	79% of Group Materiality
Rationale for the benchmark applied	We considered total assets to be the most significant determinant of the Group's financial performance for users of the financial statements as the Group continues to bring its mining assets through to production.		Capped at a percentage of Group materiality taking into account our assessment of component aggregation risk.	
Performance materiality	346	293	260	233
Basis for determining performance materiality	75% of Materiality			
Rationale for the percentage applied for performance materiality	The level of performance materiality was set after considering a number of factors including the expected value of known and likely misstatements and Management's attitude towards proposed misstatements based on past experience			

Component materiality

Materiality for the Parent Company is set out above. Materiality for the second significant component, Savannah Lithium Unipessoal Lda, was based on a percentage of 75% (2022: 69%) of Group materiality and amounted to GBP346,000 (2022: GBP270,000). We further applied performance materiality levels of 75% (2022: 75%) of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of GBP9,200 (2022: GBP7,800). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

REPORT OF THE INDEPENDENT AUDITORS

to the members of Savannah Resources Plc

Other information

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

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

Strategic report and Directors' report

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

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

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

Matters on which we are required to report by exception

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

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

REPORT OF THE INDEPENDENT AUDITORS

to the members of Savannah Resources Plc

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud

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

Non-compliance with laws and regulations

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations.

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and the Audit Committee; and
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations

we considered the significant laws and regulations to be Companies Act 2006, tax legislation, health and safety legislation and the Bribery Act 2010.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Review of legal expenditure accounts to understand the nature of expenditure incurred; and
- Directing the component auditor's work to ensure an assessment is performed on the extent of the component's compliance with the relevant local and regulatory framework.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud.

Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of Board and Audit Committee meetings to identify any known or suspected instances of fraud;

REPORT OF THE INDEPENDENT AUDITORS

to the members of Savannah Resources Plc

- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Involvement of forensic specialists during the engagement team fraud discussions;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls through inappropriate journal entries and bias in areas of judgement due to level of subjectivity involved with them.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Involvement of forensic specialists to review the report issued by the legal experts regarding the independent review performed on Project Influencer;
- Reviewing the Group's year end adjusting entries, consolidation entries and investigating any that appear unusual as to nature or amount by agreeing to supporting documentation; and
- Assessing significant estimates made by management for bias (refer to Carrying value of the Exploration and Evaluation Assets key audit matter).

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including component engagement teams who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. For component engagement teams, we also reviewed the result of their work performed in this regard.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed

and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

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

Peter Acloque (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor
London, UK

Date: 12 April 2024

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2023

	Notes	2023 £	2022 £
CONTINUING OPERATIONS			
Revenue		–	–
Other Income		–	–
Administrative Expenses		(3,477,405)	(3,531,894)
Foreign Exchange (Loss)/Gain		(81,116)	814,468
OPERATING LOSS		(3,558,521)	(2,717,426)
Finance Income		108,286	34,695
Finance Costs		(555)	(265)
LOSS FROM CONTINUING OPERATIONS BEFORE TAX	4	(3,450,790)	(2,682,996)
Tax expense		–	–
LOSS FROM CONTINUING OPERATIONS AFTER TAX		(3,450,790)	(2,682,996)
GAIN/(LOSS) ON DISCONTINUED OPERATIONS NET OF TAX	22	(167,304)	(176,396)
LOSS AFTER TAX ATTRIBUTABLE TO EQUITY OWNERS OF THE PARENT		(3,618,094)	(2,859,392)
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		(5,289)	(19,598)
Items that will or may be reclassified to profit or loss:			
Exchange (Losses)/Gains arising on translation of foreign operations		(237,364)	665,656
OTHER COMPREHENSIVE INCOME FOR THE YEAR		(242,653)	646,058
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO EQUITY OWNERS OF THE PARENT		(3,860,747)	(2,213,334)
Loss per share attributable to equity owners of the parent expressed in pence per share:			
Basic and diluted			
From Operations	7	(0.20)	(0.17)
From Continued Operations	7	(0.20)	(0.16)
From Discontinued Operations	7	(0.00)	(0.01)

The Notes form part of these Financial Statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2023

	Notes	2023 £	2022 £
ASSETS			
NON-CURRENT ASSETS			
Intangible Assets	8	18,391,089	16,459,599
Right-of-Use Assets	20	56,378	17,627
Property, Plant and Equipment	9	1,660,135	1,583,944
Other Receivables	12	432,003	454,651
Other Non-Current Assets	14	92,869	77,667
TOTAL NON-CURRENT ASSETS		20,632,474	18,593,488
CURRENT ASSETS			
Equity instruments at FVTOCI	11	6,688	11,977
Trade and Other Receivables	12	426,065	560,060
Other Current Assets		166	1,036
Cash and Cash Equivalents	13	9,721,281	7,202,334
TOTAL CURRENT ASSETS		10,154,200	7,775,407
TOTAL ASSETS		30,786,674	26,368,895
EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share Capital	15	18,281,499	16,889,598
Share Premium		46,598,337	41,693,178
Shares to be Issued		43,423	–
Merger Reserve		6,683,000	6,683,000
Foreign Currency Reserve		389,566	626,930
Share Based Payment Reserve	21	600,709	403,749
FVTOCI Reserve		(46,324)	(41,035)
Retained Earnings		(44,606,003)	(40,999,879)
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		27,944,207	25,255,541
LIABILITIES			
NON-CURRENT LIABILITIES			
Lease Liabilities	20	39,033	12,263
TOTAL NON-CURRENT LIABILITIES		39,033	12,263
CURRENT LIABILITIES			
Lease Liabilities	20	17,345	5,364
Trade and Other Payables	16	1,993,060	1,085,778
Other Current Liabilities		–	9,949
Tax Provisions	18	793,028	–
TOTAL CURRENT LIABILITIES		2,803,433	1,101,091
TOTAL LIABILITIES		2,842,466	1,113,354
TOTAL EQUITY AND LIABILITIES		30,786,673	26,368,895

The Financial Statements were approved and authorised for issue by the Board of Directors on 12 April 2024 and were signed on its behalf by:

Matthew King

Chairman

Company number: 07307107

The Notes form part of these Financial Statements

COMPANY STATEMENT OF FINANCIAL POSITION

as at 31 December 2023

ASSETS	Notes	2023 £	2022 £
NON-CURRENT ASSETS			
Investments in Subsidiaries	10	333,740	333,740
Other Receivables	12	34,451,813	31,877,211
Other Non-Current Assets	14	–	6,776
TOTAL NON-CURRENT ASSETS		34,785,553	32,217,727
CURRENT ASSETS			
Equity instruments at FVTOCI	11	6,688	11,977
Trade and Other Receivables	12	146,252	238,189
Cash and Cash Equivalents	13	8,226,519	6,241,356
TOTAL CURRENT ASSETS		8,379,459	6,491,522
TOTAL ASSETS		43,165,012	38,709,249
EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share Capital	15	18,281,499	16,889,598
Share Premium		46,598,337	41,693,178
Shares to be Issued		43,423	–
Merger Reserve		6,683,000	6,683,000
Share Based Payment Reserve	21	600,709	403,749
FVTOCI Reserve		(46,324)	(41,035)
Retained Earnings		(29,540,322)	(27,442,644)
TOTAL EQUITY		42,620,322	38,185,846
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	16	544,690	523,403
TOTAL LIABILITIES		544,690	523,403
TOTAL EQUITY AND LIABILITIES		43,165,012	38,709,249

The Company Loss for the financial year was GBP2,109,648 (2022: Profit GBP1,120,818) (Note 6).

The Financial Statements were approved and authorised for issue by the Board of Directors on 12 April 2024 and were signed on its behalf by:

Matthew King

Chairman

Company number: 07307107

The Notes form part of these Financial Statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2023

	Share Capital £	Share Premium £	Shares to be Issued £	Merger Reserve £	Foreign Currency Reserve £	Share Based Payment Reserve £	FVTOCI Reserve £	Retained Earnings £	Total Equity £
At 1 January 2022	16,889,598	41,693,178	–	6,683,000	(38,726)	305,095	(21,437)	(38,284,665)	27,226,043
Loss for the year	–	–	–	–	–	–	–	(2,859,392)	(2,859,392)
Other Comprehensive Income	–	–	–	–	665,656	–	(19,598)	–	646,058
Total Comprehensive Income for the year	–	–	–	–	665,656	–	(19,598)	(2,859,392)	(2,213,334)
Share based payment charges	–	–	–	–	–	242,832	–	–	242,832
Lapse of options	–	–	–	–	–	(144,178)	–	144,178	–
At 31 December 2022	16,889,598	41,693,178	–	6,683,000	626,930	403,749	(41,035)	(40,999,879)	25,255,541
Loss for the year	–	–	–	–	–	–	–	(3,618,094)	(3,618,094)
Other Comprehensive Income	–	–	–	–	(237,364)	–	(5,289)	–	(242,653)
Total Comprehensive Income for the year	–	–	–	–	(237,364)	–	(5,289)	(3,618,094)	(3,860,747)
Issue of Share Capital (net of expenses)	1,391,901	4,905,159	–	–	–	–	–	–	6,297,060
Share based payment charges	–	–	43,423	–	–	208,930	–	–	252,353
Lapse of options	–	–	–	–	–	(11,970)	–	11,970	–
At 31 December 2023	18,281,499	46,598,337	43,423	6,683,000	389,566	600,709	(46,324)	(44,606,003)	27,944,207

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
Shares to be Issued	Shares for which consideration has been received but which are not issued yet
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
Share Based Payment Reserve	Represents the accumulated balance of share based payment charges recognised in respect of asset acquired and share options granted by Savannah Resources Plc, less transfers to retained losses in respect of options exercised, lapsed and forfeited
FVTOCI Reserve	Cumulative changes in fair value of equity investments classified at fair value through other comprehensive income (FVTOCI)
Retained Earnings	Cumulative net gains and losses recognised in the Consolidated Statement of Comprehensive Income and other transactions recognised directly in Retained Earnings

The Notes form part of these Financial Statements

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2023

	Share Capital £	Share Premium £	Shares to be Issued £	Merger Reserve £	Share Based Payment Reserve £	FVTOCI Reserve £	Retained Earnings £	Total Equity £
At 1 January 2022	16,889,598	41,693,178	–	6,683,000	305,095	(21,437)	(28,707,640)	36,841,794
Profit for the year	–	–	–	–	–	–	1,120,818	1,120,818
Other Comprehensive Income	–	–	–	–	–	(19,598)	–	(19,598)
Total Comprehensive Income for the year	–	–	–	–	–	(19,598)	1,120,818	1,101,220
Share based payment charges	–	–	–	–	242,832	–	–	242,832
Lapse of options	–	–	–	–	(144,178)	–	144,178	–
At 31 December 2022	16,889,598	41,693,178	–	6,683,000	403,749	(41,035)	(27,442,644)	38,185,846
Profit for the year	–	–	–	–	–	–	(2,109,648)	(2,109,648)
Other Comprehensive Income	–	–	–	–	–	(5,289)	–	(5,289)
Total Comprehensive Loss for the year	–	–	–	–	–	(5,289)	(2,109,648)	(2,114,937)
Issue of Share Capital (net of expenses)	1,391,901	4,905,159	–	–	–	–	–	6,297,060
Share based payment charges	–	–	43,423	–	208,930	–	–	252,353
Lapse of options	–	–	–	–	(11,970)	–	11,970	–
At 31 December 2023	18,281,499	46,598,337	43,423	6,683,000	600,709	(46,324)	(29,540,322)	42,620,322

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
Shares to be Issued	Shares for which consideration has been received but which are not issued yet
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
Share Based Payment Reserve	Represents the accumulated balance of share based payment charges recognised in respect of asset acquired and share options granted by Savannah Resources Plc, less transfers to retained losses in respect of options exercised, lapsed and forfeited
FVTOCI Reserve	Cumulative changes in fair value of equity investments classified at fair value through other comprehensive income (FVTOCI)
Retained Earnings	Cumulative net gains and losses recognised in the Consolidated Statement of Comprehensive Income and other transactions recognised directly in Retained Earnings

The Notes form part of these Financial Statements

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2023

	Notes	2023 £	2022 £
Cash flows used in operating activities			
Loss for the year		(3,618,094)	(2,859,392)
Depreciation and amortisation charges	9, 20	22,095	23,456
Share based payment charge – Share Options	4, 21	208,930	242,832
Shares based payment charge – Shares to be issue in lieu of bonus	15	43,423	–
Finance Income		(108,286)	(34,695)
Finance Costs		555	265
Reverse impairment other assets		(710,467)	–
Foreign Exchange Losses/(Gains)	4	131,325	(858,679)
Cash flow used in operating activities before changes in working capital			
		(4,030,519)	(3,486,213)
Decrease/(Increase) in Trade and Other receivables		140,148	(78,217)
Increase/(Decrease) in Trade and Other Payables		982,457	(538,972)
Net cash used in operating activities		(2,907,914)	(4,103,402)
Cash flow used in investing activities			
Purchase of Intangible Exploration Assets	8	(1,456,075)	(1,771,821)
Purchase of Tangible Fixed Assets	9	(120,573)	(852,127)
Interest received		96,367	28,438
Proceeds from relinquishment of the rights and obligations of discontinued operations	22	–	89,981
Net cash used in investing activities		(1,480,281)	(2,505,529)
Cash flow from financing activities			
Proceeds from issues of ordinary shares (net of expenses)	15	6,297,060	–
Principal paid on Lease Liabilities	20	(9,252)	(5,022)
Interest paid on Lease Liabilities	20	(555)	(265)
Net cash from/(used in) financing activities		6,287,253	(5,287)
Increase/(Decrease) in Cash and Cash Equivalents		1,899,058	(6,614,218)
Cash and Cash Equivalents at beginning of year	13	7,202,334	13,002,084
Increase Restricted Cash	13	701,903	–
Exchange (Losses)/Gains on Cash and Cash Equivalents		(82,014)	814,468
Cash and Cash Equivalents at end of year	13	9,721,281	7,202,334

The Notes form part of these Financial Statements

COMPANY STATEMENT OF CASH FLOWS

for the year ended 31 December 2023

	Notes	2023 £	2022 £
Cash flows used in operating activities			
(Loss)/Gain for the year		(2,109,648)	1,120,818
Impairment of Investment in Subsidiaries	10	–	17,821
Impairment of Financial Assets		(466,912)	102,988
Share based payment reserve charge – Share Options	4, 21	208,930	242,832
Shares based payment charge – Shares to be issue in lieu of bonus	15	43,423	–
Dividends Income	4	–	(811,572)
Finance Income		(108,286)	(34,695)
Foreign Exchange Losses/(Gains)	4	728,241	(2,274,357)
Cash flow used in operating activities before changes in working capital		(1,704,252)	(1,636,165)
Decrease in Trade and Other Receivables		39,911	168,209
Increase/(Decrease) in Trade and Other Payables		29,126	(488,024)
Net cash used in operating activities		(1,635,215)	(1,955,980)
Cash flow used in investing activities			
Loans to subsidiaries		(3,260,033)	(5,204,762)
Proceeds from repayment of loans to subsidiaries		553,702	799,772
Proceeds from dividends from subsidiaries	4	–	811,572
Interest received		96,367	28,438
Net cash used in investing activities		(2,609,964)	(3,564,980)
Cash flow from financing activities			
Proceeds from issues of ordinary shares (net of expenses)	15	6,297,060	–
Net cash from financing activities		6,297,060	–
Increase/(Decrease) in Cash and Cash Equivalents		2,051,881	(5,520,960)
Cash and Cash Equivalents at beginning of year	13	6,241,356	11,085,944
Exchange (Losses)/Gains on Cash and Cash Equivalents		(66,718)	676,372
Cash and Cash Equivalents at end of year	13	8,226,519	6,241,356

The Notes form part of these Financial Statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023

1. ACCOUNTING POLICIES

Basis of Preparation

These Consolidated Financial Statements and the Company Financial Statements have been prepared in accordance with UK adopted international accounting standards. The Consolidated Financial Statements and the Company Financial Statements have been prepared under the historical cost convention with the exception of FVTOCI investments.

Presentational and Functional Currency

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

Going Concern

In common with many mineral exploration companies, the Group and Company have, in the past raised equity to fund their exploration activities and to date has not earned any revenues from their exploration projects.

The Directors have prepared a cash flow forecast for the period to September 2025. This indicates that additional funding will be required in the second half of 2024 in order to fund the work on the DFS and RECAPE. The Group and Company are currently running a Strategic Partner Process (the 'SPP') with Barclays and Barrenjoey as the financial advisors leading the process. The Directors believe that following the grant of the DIA, the Group's Barroso Lithium Project will be attractive to investors and this is reflected by the participation of third parties in the SPP. Therefore, the Directors are confident that funding for the DFS and RECAPE would be obtained through options which may include equity, strategic partnership or offtake.

While the Group and Company have been successful in raising equity finance in the past, and while the Directors are confident of raising additional funding when required, their ability to do this is not completely within their control and the lack of a binding agreement means there can be no certainty that the additional funding required by the Group and the Company will be secured within the necessary timescale. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group and the Company's ability to continue as a Going Concern and therefore they may be unable to realise their assets and discharge their liabilities in the normal course of business.

The Directors consider that the funding will be forthcoming and therefore the Going Concern basis of preparation is deemed appropriate. The Financial Statements do not include any adjustments that would result if the Group and Company were unable to continue as a Going Concern.

Basis of Consolidation

Where the company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

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

The consolidated Financial Statements present the results of the Company and its subsidiaries ('the Group') as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023

1. ACCOUNTING POLICIES continued

Investments in Subsidiaries and Associates

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

Foreign Currencies

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

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

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

Intangible Assets

Exploration and Evaluation Assets

Once an exploration / mining licence or an option to acquire an exploration / mining licence has been obtained, all costs associated with mineral property development and investments are capitalised on a project-by-project basis pending determination of the feasibility of the project. Costs incurred include appropriate technical and administrative expenses, but not general overheads. Where a licence is relinquished, a project is abandoned, or is considered to be of no further commercial value to the Group, the related costs will be written off.

Exploration and Evaluation Assets are assessed annually at reporting date for indicators of impairment in accordance with IFRS 6. For the purposes of assessing indicators of impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash generating units) as disclosed in Note 8. When facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount the asset is assessed for impairment.

If commercial reserves are developed, the related deferred development and exploration costs are then reclassified as development and production assets within Property, Plant and Equipment, and subsequently amortised over the estimated life of the commercial ore reserves on a unit of production basis.

Acquisitions of Mineral Exploration Licences

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

Property, Plant and Equipment

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023

1. ACCOUNTING POLICIES continued

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

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

Financial Instruments

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

Financial Assets

Trade and Other Receivables

These assets arise principally from the provision of goods and services to customers (e.g., trade receivables), but also incorporate other types of Financial Assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

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

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

There is no significant difference between carrying value and fair value of Trade and Other Receivables.

Cash and Cash Equivalents

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

Financial Liabilities

Other Liabilities

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

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

There is no significant difference between the carrying value and fair value of Other Liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023

1. ACCOUNTING POLICIES continued

Share-Based Payments

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

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

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

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

Non-Current Assets Held for Sale and Discontinued Operations

Discontinued Operations

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

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

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

Contingent Consideration

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

Key Accounting Estimates and Judgements

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023

1. ACCOUNTING POLICIES continued

The key judgements are set out below:

(a) *Going concern*

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

(b) *Exploration and evaluation costs*

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

(c) *Carrying value of Exploration and Evaluation Assets*

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

(d) *Fair Value Consideration of Disposed Operations*

The Management applied judgement in the calculation of the fair value of the contingent consideration received on disposal of the Omani Operations in 2020. Management defined several scenarios and their likelihoods with the expected cash flows associated to the recovery of the third-party loan and amounts receivable from the royalty rights. This evaluation is reviewed at each reporting period.

The key estimates are set out below:

(a) *Impairment of Amounts due from Subsidiaries*

When applying the expected credit loss model under IFRS 9 Management apply estimates to evaluate if there was a change in the credit risk of the loans since initial recognition. To calculate the expected credit losses Management apply estimation to determine the probability of different scenarios occurring to determine the expected cash flows associated to the recovery of the loans, which are compared with the present value of the loans to calculate the expected credit losses.

(b) *Tax Provision*

The Group is subject to taxes in several jurisdictions for which significant estimation is required in determining the provision for taxes. During the course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the Group recognises tax provisions/liabilities based on estimates of whether additional taxes and interest could be due. These tax provisions/liabilities are recognised when the Company believes that its tax return positions are supportable but it is possible that a taxation authority would not accept its filing position. In these cases, the Company applies estimations to determine the probability-weighted outcome of different scenarios to determine the value of the tax provision to be recognised (see Note 18).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023

1. ACCOUNTING POLICIES continued

Accounting Developments During 2023

The accounting policies adopted are consistent with those of the previous financial year. New standards and amendments to IFRS effective as of 1 January 2023 have been reviewed by the Group and other than the application of the amendments to IAS 1 to disclose only material accounting policy information in Note 1, there has been no material impact on the Financial Statements as a result of these standards and amendments.

Accounting Developments Not Yet Effective

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

2. SEGMENTAL REPORTING

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

Based on the Group's current stage of development there are no external revenues associated to the segments detailed below. For exploration and development in Portugal the segment is calculated by the summation of the balances in the legal entities which are readily identifiable to each of the segmental activities. Recharges between segments are at cost (although tax related transfer pricing markup is required) and included in each segment below. Intercompany loans are eliminated to zero and not included in each segment below.

	Portugal Lithium £	HQ, corporate and other £	Elimination £	Total £
2023				
Revenue ¹	1,550,405 ²	858,089	(2,408,494)	–
Finance Costs	(555)	–	–	(555)
Interest Income	–	108,286	–	108,286
Share based payments	–	252,353	–	252,353
Gain/(Loss) for the year	(2,072,003)	(1,546,091)	–	(3,618,094)
Total Assets	20,709,860	10,076,814	–	30,786,674
Total Non-Current Assets	20,200,471	432,003	–	20,632,474
Additions to Non-Current Assets	2,332,568	–	–	2,332,568
Total Current Assets	509,389	9,644,811	–	10,154,200
Total Liabilities	(1,039,684)	(1,802,782)	–	(2,842,466)

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

² Included in the Portugal Lithium segment is £1,908,637 (2021: £1,654,567) relating to intercompany recharges within this segment and therefore eliminated in Elimination column.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023

2. SEGMENTAL REPORTING continued

	Portugal Lithium £	HQ, corporate and other ³ £	Elimination £	Total £
2022				
Revenue ¹	1,908,637 ²	971,582	(2,880,219)	–
Finance Costs	(265)	–	–	(265)
Interest Income	–	34,695	–	34,695
Share based payments	–	242,832	–	242,832
Gain/(Loss) for the year	(1,661,876)	(1,197,516)	–	(2,859,392)
Total Assets	18,575,420	7,793,475	–	26,368,895
Total Non-Current Assets	18,130,222	463,266	–	18,593,488
Additions to Non-Current Assets	2,667,514	454,651	–	3,122,165
Total Current Assets	445,198	7,330,209	–	7,775,407
Total Liabilities	(326,564)	(786,790)	–	(1,113,354)

¹ Revenues included the intercompany recharges within the Group which are eliminated

² Included in the Portugal Lithium segment is GBP1,550,405 (2022: GBP1,908,637) relating to intercompany recharges within this segment and therefore eliminated in Elimination column

³ Following the divestment of its Oman and Mozambique portfolios, the Company's is effectively a single project company and it is appropriate to adjust its segmental reporting accordingly. Therefore the 2022 segment note disclosures have been re-stated accordingly, combining the following categories 'Discontinued Operation Mozambique Mineral Sands' and 'HQ and corporate' into 'HQ, corporate, and other'

3. EMPLOYEES AND DIRECTORS

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

	Group		Company	
	2023 No	2022 No	2023 No	2022 No
Operational	6	4	1	1
Non-operational	13	12	6	6
	19	16	7	7

Staff Costs (excluding Directors ¹)	Group		Company	
	2023 £	2022 £	2023 £	2022 £
Salaries	1,144,993	990,123	541,184	494,875
Bonus	137,088 ²	80,663 ²	87,897 ²	49,305 ²
Social security and other employee expenses	159,772	136,784	77,436	69,235
Pension	62,908	54,372	62,908	54,372
Share based payment expense (Note 21)	107,847	124,804	107,847	124,804
	1,612,608	1,386,746	877,272	792,591

¹ This excludes costs related to Directors and to the Company's CEO, who will be appointed as a Director in April 2024

² 2023 bonuses unpaid as at 31 December 2023. 2022 bonuses unpaid as at 31 December 2022

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023

3. EMPLOYEES AND DIRECTORS continued

The Group numbers in the above table includes GBP319,261 (2022: GBP165,311) which was capitalised as an exploration and evaluation asset.

Directors' Remuneration ^{1,2}	2023	2022
	£	£
Salaries	644,909	556,633
Bonus	66,986 ³	16,274 ³
Social security and taxes	33,599	38,717
Other benefits	641	16,525
Share based payment expense	111,818	94,629
	857,953	722,778

¹ This includes costs related to Directors and to the Company's CEO, who will be appointed as a Director in April 2024

² This includes the remuneration received by David Archer in 2022, who stepped down as Director (and employee) on 6 July 2022

³ 2023 bonuses unpaid as at 31 December 2023. 2022 bonuses unpaid as at 31 December 2022

The numbers in the above table include GBP131,713 (2022:GBP144,462) of Directors' Remuneration which was capitalised as an Intangible Asset in relation to the provision of specific technical services.

The Directors' remuneration is paid by the Company, except the CEO's remuneration which is paid by Savannah Lithium Unipessoal Limitada. Details of the Director's remunerations are disclosed in the Remuneration Report.

The Directors and the CEO are considered to be the key Management of the Group.

No share options were exercised during the financial year ended 31 December 2023 or 31 December 2022.

The highest paid director received remuneration of GBP365,176 (see Remuneration Report and Note 19) and non-cash payments of GBP37,338. This is including the temporary adjustment to Dale Ferguson's fees of GBP123,657 in consideration for his expanded role as Interim CEO combined with his Technical Director role. This temporary adjustment was ceased in October 2023 after the appointment of Emanuel Proença as CEO.

4. LOSS BEFORE INCOME TAX

The Group loss before income tax is stated after charging:

	2023	2022
	£	£
Depreciation and amortisation	22,095	23,456
Auditors' remuneration:		
– Group audit fees	78,750	76,115
– Subsidiaries audit fees	5,250	4,000
– Non-audit services – tax services	14,205	26,314
– Non-audit services – other	–	15,643
Fees payable to associated firms of the auditor for audit of subsidiaries	16,954	16,312
Fees payable to associated firms of the auditor for non-audit services of subsidiaries – tax services	14,755	8,409
Fees payable to associated firms of the auditor for non-audit services of subsidiaries – research services	–	5,455
Professional fees	1,075,781	1,085,326
Foreign Exchange (Gain)/Loss	81,116	(814,468)
Short term lease payments (Note 20)	32,534	76,505
Share based payments (Note 21, 15)	252,353	242,832

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023

4. LOSS BEFORE INCOME TAX continued

The Company profit/(loss) before income tax is stated after charging:

	2023	2022
	£	£
Auditors' remuneration:		
– Statutory audit of the Group Financial Statements	78,750	76,115
– Non-audit services – tax services	14,205	26,314
– Non-audit services – other	–	15,643
Foreign Exchange (Gain)/Loss	728,241	(2,274,357)
Short term lease payments	23,796	59,000
Share based payments	252,353	242,832
(Reversal)/charge of intercompany impairment	(466,912)	16,125
Dividends from subsidiaries	–	(811,572)

5. INCOME TAX

Analysis of the Tax Charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2023 or 31 December 2022.

Factors Affecting the Tax Charge

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

	2023	2022
	£	£
Loss on ordinary activities before tax	(3,618,094)	(2,859,392)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.5% ¹ (2022: 19%)	(850,252)	(543,284)
Effects of:		
Expenses/(income) not deductible for tax purposes	(15,601)	164,020
Different tax rates applied in overseas jurisdictions	(21,212)	(39,277)
Tax losses carried forward	887,065	392,824
Corporation tax related to prior year	–	25,717
Total Income Tax	–	–

¹ From 1 April 2023 UK corporation tax rate is 25% for companies with taxable profits over GBP250,000. For this analysis has been used an average rate of 23.5%

Deferred Tax

The Group has carried forward losses amounting to GBP18,416,762 as at 31 December 2023 (2022: GBP15,520,140²). As the timing and extent of taxable profits are uncertain, the Deferred Tax Asset arising on these losses has not been recognised in the Financial Statements.

² In the previous year the comparative figure was stated as GBP14,559,035 and following submission of definitive tax computations for the year ended 31 December 2022 has been updated

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023

5. INCOME TAX continued

Tax losses related to the subsidiaries in Mozambique can be carried forward for a 5 year period. Tax losses related to the subsidiaries in Portugal can be carried forward for a 14 year period for losses related to the 2017-2019 tax years and for a 12 year period for losses related to the 2020-2023 tax years. There is no expiry date for tax losses carried forward in the UK. The aging of the tax losses carried forward in Portugal and Mozambique is as follows:

Valid until	2023 £	2022 £
2024	317,312	333,945
2025	240,236	252,905
2026	1,572,619	1,655,049
2027	91,465	–
2028	36,984	–
2029	–	–
2030	22,272	22,733
2031	138,065	140,923
2032	460,244	469,772
2033	928,811	948,040
2032	1,095,910	1,118,598
2033	1,524,558	1,556,120
2034	1,660,604	1,666,189
2035	1,498,961	–
No expiry date	8,828,721	6,321,159
Total	18,416,762	14,485,433

6. LOSS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these Financial Statements. The parent company's Loss for the financial year was GBP2,109,648 (2022: Profit GBP1,120,818).

7. EARNINGS PER SHARE

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

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

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

Reconciliations are set out below:

	2023 £	2022 £
Basic Loss Per Share		
Losses attributable to ordinary shareholders:		
Total loss for the year	(3,618,094)	(2,859,392)
Total loss for the year from continuing operations	(3,450,790)	(2,682,996)
Total loss for the year from discontinued operations	(167,304)	(176,396)
Weighted average number of shares	1,751,881,365	1,688,959,820
Loss per share – total loss for the year	(0.00207)	(0.00169)
Loss per share – total loss for the year from continuing operations	(0.00197)	(0.00159)
Loss per share – total loss for the year from discontinued operations	(0.00010)	(0.00010)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023

8. INTANGIBLE ASSETS

	Exploration and Evaluation £
Cost	
At 1 January 2022	14,137,817
Additions	1,731,323
Foreign exchange movements	590,459
At 31 December 2022	16,459,599
Additions	2,162,197
Foreign exchange movements	(230,707)
At 31 December 2023	18,391,089
Amortisation and impairment	
At 1 January 2022	–
At 31 December 2022	–
At 31 December 2023	–
Net Book Value	
At 1 January 2022	14,137,817
At 31 December 2022	16,459,599
At 31 December 2023	18,391,089

The Exploration and Evaluation Assets referred to in the table above comprise expenditure in relation to exploration licences in Portugal. The Directors consider that for the purposes of assessing impairment, the above exploration and evaluation expenditure is allocated to the Portugal Lithium licences area, representing the Group's Cash Generating Units ('CGUs').

The Directors have reviewed the carrying value of the CGU and have not identified any indicators of impairment for the assets allocated to the licences in Portugal, and therefore there is no impairment charge in 2023 or 2022 for Portugal operations.

Amongst other matters, the impairment review has taken into account the "lawfare" that the Group faces from certain sections of the local population, which seek to call into question the validity of the Barroso Lithium Project ('BLP') (C-100) mining licence parameters and the BLP's DIA grant, by making claims against the relevant competent authorities within the Portuguese government (see Social Licence Risk in the Strategic Report for further details). Both of which are considered to be without foundation by the Company lawyers. The impairment review has also taken into account that the Company will require additional funds to fully develop the BLP into an operating mine, and it remains confident that the BLP's strategic location within EU's carbon borders, the excellent investment metrics reported in the 2023 Scoping Study, and the long-term lithium pricing outlook, will result in the BLP mine development being funded (see Chairman's Statement and CEO Report for information on the partnering process and other sources of finance).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023

9. PROPERTY, PLANT AND EQUIPMENT

	Motor Vehicles £	Office Equipment £	Land £	Total £
Cost				
At 1 January 2022	54,401	37,748	649,180	741,329
Additions	–	9,095	843,032	852,127
Foreign exchange movements	2,954	2,365	67,604	72,923
At 31 December 2022	57,355	49,208	1,559,816	1,666,379
Additions	–	15,600	104,973	120,573
Foreign exchange movements	(1,163)	(3,683)	(31,013)	(35,859)
At 31 December 2023	56,192	61,125	1,633,776	1,751,093
Depreciation				
At 1 January 2022	46,333	18,460	–	64,793
Charge for year	8,192	5,444	–	13,636
Foreign exchange movements	2,830	1,176	–	4,006
At 31 December 2022	57,355	25,080	–	82,435
Charge for year	–	12,897	–	12,897
Foreign exchange movements	(1,163)	(3,211)	–	(4,374)
At 31 December 2023	56,192	34,766	–	90,958
Net Book Value				
At 1 January 2022	8,068	19,288	649,180	676,536
At 31 December 2022	–	24,128	1,559,816	1,583,944
At 31 December 2023	–	26,359	1,633,776	1,660,135

The additions in land reflect the land acquisition program that Savannah has in place in Portugal to acquire the land required for the future development of the Barroso Lithium project.

The above Property, Plant and Equipment is allocated to the Portugal Lithium operations, representing the Group's CGUs.

Management has evaluated the existence of impairment indicators of the Property, Plant and Equipment allocated to the licences area together with the impairment review performed for the Exploration and Evaluation Assets, and it has concluded that there are no indicators of impairment, and therefore there is no impairment charge in 2023 or 2022 for Portugal operations.

10. INVESTMENT IN SUBSIDIARIES

Company

	Investment in subsidiaries £
Non-Current	
At 1 January 2022	333,831
Additions	17,730
Impairment charge	(17,821)
At 31 December 2022	333,740
Additions	–
Impairment charge	–
At 31 December 2023	333,740

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023

10. INVESTMENT IN SUBSIDIARIES continued

During 2022 the Company impaired its investment in Savannah Lithium BV after the commencement of the liquidation process of this entity, which was completed in 2023.

The Company had the following subsidiary undertakings, either directly or indirectly, at 31 December 2023, which have been included in the Consolidated Financial Statements:

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

¹ Directly held by Savannah Resources Plc

² Indirectly held by Savannah Resources Plc

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

⁴ Formerly Slipstream Resources Portugal Limitada, and formerly Savannah Lithium Limitada

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

⁶ Damiao de Gois, no 438, Sommerschild, Maputo, Mozambique

⁷ Rua 1301, Num 97, Sommerschild, Maputo, Mozambique

⁸ Herikerbergweg 88,1101 CM, Amsterdam, The Netherlands

⁹ Rua 5 de Outubro, nº 26, Boticas, Portugal, 5460-304

¹⁰ Liquidation process started in 2023 and expected to be completed in 2024

11. EQUITY INSTRUMENTS AT FVTOCI

Group and Company

	Shares in Equity Investments at FVTOCI £
At 1 January 2022	31,575
Change in market value of investment	(19,598)
At 31 December 2022	11,977
Change in market value of investment	(5,289)
At 31 December 2023	6,688

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

The fair value of the shares held by the Company is the quoted value at the reporting date. The fair value hierarchy in 2023 and 2022 for these shares is Level 1 as the valuation is based wholly on quoted prices.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023

12. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Non-Current:				
Other Receivables	432,003	454,651	–	–
Amounts due from Subsidiaries	–	–	34,451,813	31,877,211
Total Non-Current Trade and Other Receivables	432,003	454,651	34,451,813	31,877,211
Current:				
VAT Recoverable	253,790	155,205	108,422	6,707
Other Receivables	172,275	404,855	37,830	231,482
Total Current Trade and Other Receivables	426,065	560,060	146,252	238,189

The carrying value of Trade and Other Receivables classified at amortised cost approximates fair value.

The amount registered in Non-current Other receivable is related to the Deed of Termination entered into with Rio Tinto in December 2021.

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

The Company expects that the carrying value of the intercompany loans receivable may not be fully recoverable as the subsidiaries may not generate sufficient future profits to settle the amounts owing and accordingly, these amounts have been partially impaired. Repayment of the intercompany loans is subject to the Directors' assessment of the Group's requirements and availability of appropriate liquid resources. Among other things, the Company's expected credit loss model includes consideration of various risks affecting the success of underlying projects of its subsidiaries. When determining the expected credit losses Management has taken into account that the intercompany loans are related to projects that are in the exploration stage. Management has concluded that the success of the projects is the most important factor that will drive credit losses. This will be affected by the results in mineral resources, the commodity prices, the capability of the Parent company to obtain funds to develop the projects and the success in obtaining or renewing exploration and mining licences. Several scenarios and their likelihood have been considered to calculate the expected cash flows for the loans associated to each project and the expected credit losses as at the reporting date. In the current period the Company estimates that a reversal amounting to GBP0.5m (2022: loss GBP0.02m) is required in the expected credit loss calculated in prior years on the receivables from the subsidiaries, decreasing the expected credit loss balance to GBP4.4m.

The Group has a receivable of AUD 3,500,000 (~GBP1,870,000) from Gentor Resources Limited, a subsidiary of Critical Resources, which represents contingent consideration from the disposal of the Oman operations in 2020, this becomes payable from future production from Block 5 and / or an event of default. In accordance with IFRS guidance the fair value has been valued at GBPnil as at 31 December 2023 and 31 December 2022, but this does not imply that value will not be realised in future.

The expected credit loss on other third parties' receivables is immaterial as at 31 December 2023 and 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023

12. TRADE AND OTHER RECEIVABLES continued

Movements in the impairment allowance for the year ended 31 December 2023 are as follows:

Company

	Impairment from Subsidiaries £
At 1 January 2022	4,581,141
Impairment charge	16,125
Foreign exchange movements	467,550
At 31 December 2022	5,064,816
Impairment charge reversal	(466,912)
Foreign exchange movements	(222,433)
At 31 December 2023	4,375,471

The amounts due from Matilda Minerals are fully impaired as at 31 December 2023 and 31 December 2022, amounting to GBP4,256,677 (2022: GBP4,479,109) given cessation of exploration activities in Mozambique in 2021.

The breakdown of the Amounts due from Subsidiaries as at 31 December 2023 is as follows:

	Company	
	2023	2022
	£	£
Amounts due from Subsidiaries:		
Outstanding amount	38,827,287	36,942,027
Impairment	(4,375,474)	(5,064,816)
	34,451,813	31,877,211

13. CASH AND CASH EQUIVALENTS

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Cash at Bank and in Hand	9,019,375	7,202,334	8,226,519	6,241,356
Restricted Cash	701,906	–	–	–
Total Cash and Cash Equivalents	9,721,281	7,202,334	8,226,519	6,241,356

The balance of Cash and Cash Equivalents approximates fair value.

The Group's cash balance in Mozambique is restricted for use in Mozambique until the Group and the Mozambican Tax Authority resolve the potential tax treatment or otherwise of the Deed of Termination from 2021 (see Note 18).

14. OTHER NON-CURRENT ASSETS

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Non-Current:				
Guarantees	63,301	64,611	–	–
Other	29,568	13,056	–	6,776
Total Other Non-Current Assets	92,869	77,667	–	6,776

The carrying value of Other Non-Current Assets classified at amortised cost approximates fair value.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023

15. SHARE CAPITAL

	2023		2022	
	£0.01 ordinary shares number	£	£0.01 ordinary shares number	£
Allotted, issued and fully paid				
At beginning of year	1,688,959,820	16,889,598	1,688,959,820	16,889,598
Issued during the year:				
Share placements	139,190,084 ¹	1,391,901	–	–
At end of year	1,828,149,904	18,281,499	1,688,959,820	16,889,598

¹ In respect of the Share placements in 2023 the net proceeds were GBP6,297,060 (2022: GBPnil) of which GBP4,905,159 (2022: GBPnil) has been recorded in Share Premium. The gross proceeds were GBP6,500,177 (2022: GBPnil) and the costs of the Share placements GBP203,117 (2022: GBPnil)

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

As at 31 December 2023 the Company has 2,011,880 new ordinary shares of 1 pence each over the Company Share Capital to be Issued to the CEO in 2024 in lieu of payment of the 2023 bonus agreed as part of his appointment in September 2023. This is considered a share based payment and a charge of GBP43,423.08 has been recognised in 2023 and GBP31,016.48 will be recognised in 2024. These shares will be issued in 2024.

16. TRADE AND OTHER PAYABLES

	Group		Company	
	2023 £	2022 £	2023 £	2022 £
Current:				
Trade Payables	820,487	618,805	200,261	329,005
Other Payables	121,879	56,745	31,168	28,651
Accruals	1,050,694	410,228	313,261	156,961
Amounts due to Subsidiaries	–	–	–	8,786
Total Current Trade and Other Payables	1,993,060	1,085,778	544,690	523,403

The carrying value of Trade and Other Payables classified at amortised cost approximates fair value.

In 2023 Accruals represent mainly costs related to the drilling and DFS work, and legal fees for work related to the Operation Influencer in Portugal, for which invoices have not been received at the reporting date. In 2022 Accruals represent mainly professional fees in the Group for which invoices had not been received at the reporting date.

A significant part of the Trade Payables amounts relates to work performed in the BLP whose balances are capitalised and therefore included in Investing cash flows instead of Operating cash flows.

17. FINANCIAL INSTRUMENTS

Financial Instruments - Risk Management

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023

17. FINANCIAL INSTRUMENTS continued

Principal Financial Instruments

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

- Intercompany Loan Receivables
- Non-Current Other Receivables
- Current Trade and Other Receivables
- Cash and Cash Equivalents
- Other Non-Current Assets – Guarantees
- Trade and Other Payables

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

Liquidity Risk

At the reporting date the Group's not restricted cash balance was GBP9.0m (2022: GBP7.2m). This, in conjunction with the raising of future cash through different options, which the Directors believe can be secured, will allow the Group to continue working on its development / exploration activities and to meet its financial commitments for at least 12 months. In common with many non-revenue generating companies, the Company routinely raises funds for its development activities. The Group's policy continues to be to ensure that it has adequate liquidity by careful management of its working capital.

Foreign Exchange Risk

The Group is exposed through its operations to foreign exchange risk which mainly arises because the Group has overseas operations located in Portugal whose functional currency is Euro.

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

In addition, the Group is exposed through the cash held in foreign currencies. To mitigate this risk the Group's policy is to review the cash flow forecast identifying the currencies that will be required to settle liabilities in future and hold the cash balances in the required currencies. From time to time when there is insufficient precision about the currencies that will be required for future expenditure the Group spreads its cash balances across globally recognised reserve currencies to mitigate against adverse changes in exchanges rates, and the Company monitors this regularly.

Credit Risk

The Group and the Company are exposed to credit risk on its receivables from its subsidiaries and third parties. The subsidiaries are exploration and development companies with no current revenue and therefore, whilst the receivables are due on demand, they are not expected to be paid until there is a successful outcome on a development project resulting in revenue being generated by a subsidiary. The third-party receivables are due within 30 days of issuing the invoices; in the case of the contingent consideration from the disposal of the Oman operations this is due when its related mining project generate positive cash flow, the project is in the exploration phase. The Group has calculated the expected credit loss from these receivables (Note 12).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023

17. FINANCIAL INSTRUMENTS continued

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

Financial instruments by category (Group)

Financial Assets

	Amortised Cost £	Total £
As at 31 December 2023		
Non-Current Other Receivables	432,003	432,003
Other Non-Current Assets	92,869	92,869
Current Trade and Other Receivables	46,654	46,654
Other Current Assets	166	166
Cash and Cash Equivalents	9,721,281	9,721,281
Total Financial Assets	10,292,973	10,292,973
As at 31 December 2022		
Non-Current Other Receivables	454,651	454,651
Other Non-Current Assets	77,667	77,667
Trade and Other Receivables	191,143	191,143
Other Current Assets	1,036	1,036
Cash and Cash Equivalents	7,202,334	7,202,334
Total Financial Assets	7,926,831	7,926,831

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

Financial Liabilities

	Amortised Cost £	Total £
As at 31 December 2023		
Trade and Other Payables	1,947,413	1,947,413
Total Financial Liabilities	1,947,413	1,947,413
As at 31 December 2022		
Trade and Other Payables	1,085,778	1,085,778
Total Financial Liabilities	1,085,778	1,085,778

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023

17. FINANCIAL INSTRUMENTS continued

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

	Functional Currency of Entity							
	GBP	MZN	EUR	Total	GBP	MZN	EUR	Total
	2023	2023	2023	2023	2022	2022	2022	2022
	£	£	£	£	£	£	£	£
Foreign currency Financial Assets								
USD	573,081	1,097	322	574,500	847,872	6,089	354	854,315
EUR	5,561,385	–	–	5,561,385	4,132,466	–	–	4,132,466
AUD	462,077	–	4,151	466,228	581,376	–	4,388	585,764
OMR	–	–	–	–	8,558	–	–	8,558
Total	6,596,543	1,097	4,473	6,602,113	5,570,272	6,089	4,742	5,581,103

	Functional Currency of Entity				
	GBP	EUR	Total	GBP	Total
	2023	2023	2023	2022	2022
	£	£	£	£	£
Foreign currency Financial Liabilities					
USD	5,597	–	5,597	132,841	132,841
AUD	359,428	–	359,428	68,061	68,061
EUR	99,654	–	99,654	104,010	104,010
OMR	10,244	–	10,244	6,900	6,900
GBP	–	121	121	–	–
Total	474,923	121	475,044	311,812	311,812

The effect of changes in foreign currencies exchange rates against GBP at the reporting date on the foreign currency denominated Cash and Cash Equivalents carried at that date would, all other variables held constant, have resulted in the following:

As at 31 December 2023	USD		EUR		AUD	
	£	£	£	£	£	£
Movement exchange rates against GBP	+10%	-10%	+10%	-10%	+10%	-10%
Pre-tax loss for the year	(63,833)	52,227	(617,932)	505,580	(50,293)	41,149
Net assets	63,833	(52,227)	617,932	(505,580)	50,293	(41,149)

As at 31 December 2022	USD		EUR		AUD	
	£	£	£	£	£	£
Movement exchange rates against GBP	+10%	-10%	+10%	-10%	+10%	-10%
Pre-tax loss for the year	(44,407)	36,333	(459,163)	375,679	(63,754)	52,162
Net assets	44,407	(36,333)	459,163	(375,679)	63,754	(52,162)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023

17. FINANCIAL INSTRUMENTS continued

Financial instruments by category (Company)

Financial Assets

	Amortised Cost £	Total £
As at 31 December 2023		
Other Receivables	34,451,813	34,451,813
Trade and Other Receivables	11,919	11,919
Cash and Cash Equivalents	8,226,519	8,226,519
Total Financial Assets	42,690,251	42,690,251
As at 31 December 2022		
Other Receivables	31,877,211	31,877,211
Other Non-Current Assets	6,776	6,776
Trade and Other Receivables	27,215	27,215
Cash and Cash Equivalents	6,241,356	6,241,356
Total Financial Assets	38,152,558	38,152,558

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

Financial Liabilities

	Amortised Cost £	Total £
As at 31 December 2023		
Trade and Other Payables	544,690	544,690
Total Financial Liabilities	544,690	544,690
As at 31 December 2022		
Trade and Other Payables	523,403	523,403
Total Financial Liabilities	523,403	523,403

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

	Functional Currency of Entity	
	GBP 2023 £	GBP 2022 £
Foreign currency Financial Assets		
USD	529,322	215,473
EUR	39,452,132	35,369,797
AUD	442,063	509,978
OMR	–	8,558
Total	40,423,517	36,103,806

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023

17. FINANCIAL INSTRUMENTS continued

	Functional Currency of Entity			
	GBP 2023	Total 2023	GBP 2022	Total 2022
	£	£	£	£
Foreign currency Financial Liabilities				
USD	–	–	8,174	8,174
AUD	12,926	12,926	43,178	43,178
EUR	8,529	8,529	15,696	15,696
OMR	10,244	10,244	6,900	6,900
Total	31,699	31,699	73,948	73,948

Capital Disclosures

The Group's objectives when maintaining capital are:

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

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

18. GROUP CONTINGENT LIABILITIES AND PROVISIONS

Contingent Liabilities:

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

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

In June 2019 the Company exercised its option to acquire a Mining Lease Application for lithium, feldspar and quartz from private Portuguese company, Aldeia & Irmão, S.A.. The total purchase price for the acquisition is EUR3,250,000 (~GBP2,820,000), which will only become due once the Mining Lease Application has been granted and the Mining Rights transferred to an entity within the Group, at which point the agreed payment schedule will consist of an initial EUR55,000 (~GBP48,000) payment with the balance due in 71 equal monthly instalments. Upon delivery of the request for transfer of the Mining Rights to an entity within the Group, the Group shall provide with a bank guarantee of EUR3,195,000 (~GBP2,770,000) that will be reduced in accordance with the 71 monthly instalments. As at 31 December 2023 the mining lease has not been granted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023

18. GROUP CONTINGENT LIABILITIES AND PROVISIONS continued

Provisions:

In October 2016 the Group and Rio Tinto entered into a Consortium Agreement to develop their respective projects in Mozambique through an unincorporated consortium. On 1 December 2021 Savannah signed a Deed of Termination relating to the Consortium Agreement. Under the Deed of Termination, compensation of USD9.5m (GBP7.0m) was agreed to be paid by Rio Tinto to the Group. In 2023 the Company was indirectly notified that the Mozambican Tax Authority ('MTA') considers the transaction in scope for capital gains tax and that a tax amount of MZN134,261,677 (~GBP1,650,000) should be paid. Savannah has not received any formal notification from the MTA and it does not agree with the MTA's position in relation to this matter. However, the fact that the Group and the MTA have different opinions in this matter represents the existence of an uncertainty in the tax treatment relating to the Deed of Termination and therefore the Group is required to apply IFRIC 23. The Company has applied estimations to determine the probability of different scenarios occurring and has made a provision of GBP793,028 (2022: nil) based on the sum of the probability-weighted outcomes, but that does not indicate the Group will be liable to pay this amount. Although the Company is seeking a resolution of the matter with the MTA the timing thereof is not certain, in the event that any tax is paid it could be settled from restricted cash (see note 13) or non-current other receivables (see Note 12).

19. RELATED PARTY DISCLOSURES

Details of Directors' remuneration are disclosed in the Remuneration Report and in Note 3.

During the year GBP346,352 (2022: GBP237,903) was payable to Blue Bone Consulting Pty Ltd (a company controlled by Dale Ferguson) for consultancy fees of which GBP78,361 (including bonus) (2022: GBP41,554 (including bonus)) remained unpaid. The amounts payable to Blue Bone Consulting Pty Ltd have been included in the Directors' remuneration in the Remuneration Report and in Note 3.

During the year the Directors and the CEO acquired the following shares in the market or as part of the July 2023 fundraise:

	Number of shares	Consideration £
Al Marjan Ltd ¹	7,500,000	350,250
Diogo da Silveira	1,070,663	50,000
Bruce Griffin	1,110,572	27,136
Matthew King	647,866	26,513
Mary Jo Jacobi	578,900	24,705
Emanuel Proença ³	725,000	19,792
Dale Ferguson ²	388,115	18,125
James Leahy	317,066	10,099
Total	12,338,182	526,620

¹ One Director is representative of Al Marjan.

² 173,983 shares for a consideration of GBP8,125 acquired indirectly through his investment in Slipstream Resources International Pty, Ltd

³ To be appointed as a Director in April 2024

Detail of the total number of shares held by the Directors is included in the Directors Report.

During 2022 Dale Ferguson acquired in the market 900,000 shares for a consideration of GBP18,900, and 167,906 shares indirectly through his investment in Slipstream Resources International Pty, Ltd for a consideration of GBP5,096. During 2022 James Leahy acquired in the market 215,889 shares for a consideration of GBP5,018.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023

20. LEASES

Right-of-Use Assets

	Vehicles £
Cost	
At 1 January 2022	64,857
Additions	21,322
Foreign exchange movements	4,341
At 31 December 2022	90,520
Additions	48,075
Foreign exchange movements	(1,550)
At 31 December 2023	137,045
Depreciation	
At 1 January 2022	59,467
Charge for year	9,820
Foreign exchange movements	3,606
At 31 December 2022	72,893
Charge for year	9,198
Foreign exchange movements	(1,424)
At 31 December 2023	80,667
Net Book Value	
At 1 January 2022	5,390
At 31 December 2022	17,627
At 31 December 2023	56,378

Lease Liabilities

	Vehicles £	
At 1 January 2022	1,132	
Additions	20,663	
Lease payments	(4,837)	
Foreign exchange movements	669	
At 31 December 2022	17,627	
Additions	48,361	
Lease payments	(9,252)	
Foreign exchange movements	(358)	
At 31 December 2023	56,378	
	2023	2022
	£	£
Current Liabilities	17,345	5,364
Non-Current Liabilities	39,033	12,263
Total Lease Liabilities	56,378	17,627

The Right-of-Use Assets and related Lease Liabilities are for the lease of motor vehicles. Total 2023 cash flow outflow amount is GBP9,807 (2022: GBP5,287).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023

20. LEASES continued

Other Leases

The Group has registered GBP32,534 (2022: GBP76,505) in the Statement of Comprehensive Income related to short-term leases. Short-term leases meet the requirements to not be accounted for by recognising a Right-of-Use Asset and a Lease Liability, having a duration of 12 months or less and without reasonable certainty about their renewal.

At 31 December 2023 the Other Lease commitments for the next 12 months is GBP14,290 (2022: GBP33,969).

These leases are for business premises in Portugal.

21. SHARE OPTIONS

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

	Number	2023 Weighted average exercise price	Weighted remaining life	Number	2022 Weighted average exercise price	Weighted remaining life
Share Options						
Opening Balance	44,074,380	6.3p	5.44	67,600,000	6.0p	6.71
Granted	–	–	–	–	–	–
Lapsed	(1,110,000)	5.5p	–	(23,525,620)	5.6p	–
Closing Balance	42,964,380	6.3p	5.42	44,074,380	6.3p	5.44

Share schemes outstanding as at 31 December 2023 are as follows:

	Outstanding 31 December 2023	Exercisable 31 December 2023	Outstanding 31 December 2022	Exercisable 31 December 2022	Exercise Price	Expiry Date
Share Options						
March 2019 ¹	7,950,000	7,950,000	7,950,000	7,950,000	10.0p	11/03/24
June 2021	750,000	750,000	750,000	750,000	4.7p	30/06/26
June 2021	750,000	750,000	750,000	750,000	6.2p	30/06/26
June 2021	13,332,190	–	13,887,190	–	4.7p	30/06/29
June 2021	13,332,190	–	13,887,190	–	6.2p	30/06/29
October 2021	250,000	250,000	250,000	250,000	4.7p	01/10/26
October 2021	250,000	250,000	250,000	250,000	6.3p	01/10/26
October 2021	3,175,000	–	3,175,000	–	4.7p	01/10/29
October 2021	3,175,000	–	3,175,000	–	6.3p	01/10/29
	42,964,380	9,950,000	44,074,380	9,950,000		

¹ Share Options were not exercised and expired on 11 March 2024

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023

21. SHARE OPTIONS continued

The Company is committed to issue a total of 20,000,000 share options to the CEO, Emanuel Proença, as part of the agreement signed in September 2023. These share options are expected to be issued during 2024. The details of these is as follows:

- 10,000,000 share options with exercise price 4.74p, vesting date 18 September 2026 and expiry date 18 September 2031.
- 10,000,000 share options with exercise price 6.32p, vesting date 18 September 2026 and expiry date 18 September 2031.

A share based payment charge has been recognised during the year for these share options to be issued.

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

The range of inputs of the Share Options committed to be issued in 2023 that will be granted during 2024 were as follows:

	September 2023	September 2023
Share Options		
Stock price	3.6p	3.6p
Fair value of option	1.8p	1.5p
Exercise Price	4.7p	6.3p
Expected volatility	56%	56%
Expected life	5.5 years	5.5 years
Risk free rate	0.05%	0.05%

This fair value is the cost that is charged to the Statement of Comprehensive Income and is spread over the expected vesting period which, for non-market vesting conditions (as noted above), is revised at each period end.

Share Options granted

During the 2023 financial year 20,000,000 Share Options were committed to be issued to employees to assist with the recruitment, reward and retention of key employees. These Share Options vest upon the employee meeting service and/or performance conditions. No Share Options were granted during 2022 to employees.

The detail of the LTIP Share Options granted to the Directors and CEO is disclosed in the Remuneration Report.

22. DISCONTINUED OPERATIONS

In October 2016 Savannah, AME and Rio Tinto entered into a Consortium Agreement ('CA'), whereby both Savannah Group and Rio Tinto combined their respective projects in Mozambique to form an unincorporated consortium. On the 1 December 2021 Savannah signed a Deed of Termination relating to the CA.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023

22. DISCONTINUED OPERATIONS continued

The residual costs related to the Mozambique activities during the year are registered as discontinued operations in the Consolidated Statement of Comprehensive Income. The detail of the result of discontinued operations is as follows:

	2023	2022
	£	£
Expenses other than finance costs	(167,304)	(176,396)
(Loss) / Profit on discontinued operations for the year	(167,304)	(176,396)
Earnings per share from discontinued operations		
Basic and diluted loss per share	(0.00010)	(0.00010)

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

	2023	2022
	£	£
Net cash used in operating activities	(123,229)	(274,769)
Net cash from investing activities	–	91,807
Net cash from financing activities	47,054	112,265
Net cash used in discontinued operations	(76,175)	(70,697)

Savannah is in the process of exiting its residual interest in Mozambique which includes Mining Concession 9735C and finalising administrative work related to the termination of the Consortium Agreement as required by the Mozambique laws. The costs incurred during 2023 and 2022 are related to these activities.

The legal transfer of Matilda's employees and some supplier contracts to Rio Tinto was completed in April 2022, and a gross payment was received amounting to USD115,329 (~GBP91,807), which was part of the Termination Compensation amounting to USD9.5m.

23. EVENTS SINCE THE REPORTING DATE

There were no events after the reporting date to report.

GLOSSARY

Title	Abbreviation	Definition
Agência Portuguesa do Ambiente	APA	The Portuguese Environment Agency.
Aldeia & Irmão S.A.	Aldeia	Private Portuguese company.
Article 16 of Decree-Law No. 151-B/2013, amended and republished by the Decree-law 152-B/2017 of 11 December	Article 16	The Portuguese law which regulates Environmental Impact Assessments.
Barclays Bank PLC, acting through its Investment Bank ('Barclays') and Barrenjoey Advisory Pty Limited	Barclays and Barrenjoey	Joint advisers appointed to lead on the Strategic Partnering Process.
Benefit Sharing Plan	BSP	The Benefit Sharing Plan is one of two plans Savannah is developing to ensure that the economic and social benefits of the Barroso Lithium Project are shared in a transparent manner with stakeholders.
The Barroso Lithium Project	BLP, the 'Project'	Savannah's wholly owned lithium project in northern Portugal.
Balcão Único do Prédio	BUPI	The public entity at owners of rustic and mixed buildings, which allows them to map, understand and value the Portuguese territory.
Comissão de Coordenação e Desenvolvimento Regional do Norte	CCDR-N	Northern Regional Coordination and Development Commission – A public institution that works towards the integrated and sustainable development of the North Region of Portugal, contributing to the country's competitiveness and cohesion.
Community Insights Group	CIG	A social impact management consultancy that helps its clients in their efforts to respect people's rights and make a difference in their communities.
COTEC Portugal	COTEC	The main Portuguese business association for the promotion of business innovation and technological cooperation.
Decisão sobre a Conformidade Ambiental do Projeto de Execução	DCAPE	Declaration on the Environmental Compliance of the Execution Project – The decision issued by APA following completion of the RECAPE (see below) phase of the environmental licence process for a project.
Declaração de Impacte Ambiental	DIA	An Environmental Impact Statement - The opinion given by APA on a project's Environmental Impact Assessment.
Definitive Feasibility Study	DFS	A comprehensive technical and economic study of the proposed Project and will include among other elements.

GLOSSARY

Title	Abbreviation	Definition
Direção-Geral de Energia e Geologia	DGEG	A service of the state's direct central administration whose mission is to contribute to the design, promotion and evaluation of policies relating to energy and geological resources, with a view to sustainable development and guaranteeing security of supply.
Electric Vehicle	EV	A vehicle that can be powered by an electric motor that draws electricity from a battery and is capable of being charged from an external source.
Environmental Impact Assessment	EIA	An EIA evaluates a project's environmental and social impact during its construction, operation, closure and post-closure phases. The outcome of the EIA is a project design and a set of actions to be undertaken which minimises the environment and social impact of the project throughout all its active phases and over the long term, post closure.
Good Neighbour Plan	GNP	The Good Neighbour Plan is one of two plans Savannah is developing to ensure that the economic and social benefits of the Barroso Lithium Project are shared in a transparent manner with stakeholders.
Greenhouse gases	GHG	Gases in the earth's atmosphere such as carbon dioxide and methane which trap heat and contribute to global warming.
Independent Review	Independent Review	The Company commissioned CMS Portugal (Rui Pena, Arnaut e Associados, RL), part of the internationally renowned law group CMS, to conduct an independent review of the Company's activities between 1 January 2017 and 31 October 2023 in relation to Operation Influencer.
Internal Rate of Return	IRR	IRR is a that makes the Net Present Value of all cash flows equal to zero in a discounted cash flow analysis.
Legal Opinions	Legal Opinions	Legal opinions provided by a renowned Portuguese legal expert in constitutional and penal law, and also from the specialist Portuguese law firm, Gama Glória.
Lithium Carbonate Equivalent	LCE	The traditional lithium industry measure used when comparing masses of differing lithium materials.
Lithium hydroxide Equivalent	LHE	Alternative lithium industry comparator for masses of differing lithium materials.
Mais Boticas	Mais Boticas	Boticas Business Association.
Memorandum of Understanding	MoU	A non-binding agreement that states each party's intentions to take action, conduct a business transaction, or form a new partnership.

GLOSSARY

Title	Abbreviation	Definition
Net present value	NPV	A financial metric that seeks to capture the total value of an investment opportunity.
Operation Influencer	Operation Influencer, the Investigation	An investigation run by the Portuguese Public Prosecutor into possible active and passive corruption, undue influence, malfeasance and other wrongdoings in relation to a variety of “green” projects including Savannah’s Barroso Lithium Project.
Quoted Companies Alliance	QCA	A UK independent membership organisation that champions the interests of small to mid-size quoted companies.
Relatório de Conformidade Ambiental do Projeto de Execução	RECAPE	The Environmental Compliance Report of the Execution Project - Following award of a DIA, the proposer is required to develop the execution project in compliance with the provisions of the DIA and produce this report as part of the environmental licencing process.
Social Impact Assessment	SIA	A process of research, planning and management of social change or consequences (positive and negative, intended and unintended) arising from policies, plans, developments and projects.
Strategic Partnering Process	SPP, the Process	The Process Savannah is undertaking advised by Barclays & Barrenjoey to identify potential strategic partners both willing and able to assist with the Project's future development and financing, and which also bring complementary skills or additional opportunities to Savannah.

COMPANY INFORMATION

DIRECTORS:	Matthew King Dale Ferguson Bruce Griffin Mary Jo Jacobi James Leahy Diogo da Silveira Mohamed Sulaiman	Chairman Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director
SECRETARIES:	Christopher Michael McGarty c/o Salisbury House London Wall London EC2M 5PS	Dominic Traynor Salisbury House London Wall London EC2M 5PS
REGISTERED OFFICE:	Salisbury House London Wall London EC2M 5PS	
REGISTERED NUMBER:	07307107 (England and Wales)	
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