

15 April 2024

## Financial Results for the Year Ended 31 December 2023

Savannah Resources Plc, the developer of the Barroso Lithium Project (the 'Project') in Portugal, Europe's largest spodumene lithium deposit, is pleased to announce its audited financial results for the year ended 31 December 2023.

*"The team delivered significant progress during 2023, achieving several important milestones which are allowing Savannah to further advance its Barroso Lithium Project in 2024."* commented **Emanuel Proença, CEO**. *"The award of a positive environmental impact decision ('DIA') for the Project demonstrated Savannah's ability to design a project that satisfies the demanding environmental and social standards which are rightly required of a 21st Century critical raw material project in the European Union. The updated Scoping Study then demonstrated the highly competitive and attractive economics of that DIA-compliant design. On these foundations we were able to raise funds from new and existing investors to accelerate work on the Project's Definitive Feasibility Study ('DFS'), expand our team at all levels, and continue with our stakeholder engagement programme and environmental licencing process. We were also able to initiate a Strategic Partnering Process as we look to leverage the widespread commercial interest in our Project for its future financing and development. Much progress has already been made in 2024 and we expect to continue to make significant advances on all project-related workstreams during the remainder of the year.*

*"I am now over 6 months into my role leading Savannah and recognise more and more each day how beneficial our Project can be for the region we operate in, for Portugal and Europe in supporting our collective challenge of tackling climate change. I am proud of the business that Savannah is and am very excited for our future."*

## 2023 Summary

### Corporate

- Emanuel Proença appointed as Chief Executive Officer ('CEO') in September.
- Dale Ferguson resumed his previous role as Technical Director having served as Interim CEO since July 2022.

- Bruce Griffin, an experienced mining industry executive and current Chair of ASX-listed Sheffield Resources, joined the Board as an Independent Non-Executive Director.
- Mohamed Sulaiman, current Head of Strategy at the Omani conglomerate business, WJ Towell Group and an experience board director, joined as Non-Executive Director and the Board representative of Savannah's largest shareholder, Al Marjan.
- Savannah recorded a loss from continuing operations of £3.5m (2022: £2.7m). The Company completed a £6.5m (gross) fundraise, providing a pro-forma cash balance of £11.4m in July. With continued investment in its asset base and team in Portugal during the remainder of the year, Savannah ended 2023 with an available cash position of £9.0m.
- Manohar Shenoy, Savannah's much respected Non-Executive Director who joined the Board in 2016, passed away in September.

### Barroso Lithium Project, Portugal

#### *Technical*

- After the submission of the Project's revised Environmental Impact Assessment ('EIA') in March and a second public consultation period, the Project was awarded a positive DIA with conditions by the Portuguese Environment Agency in May.
- A new Scoping Study was published in June based on the DIA-compliant Project design. With average production of 191,000t of spodumene concentrate over a 14-year life, the Project returned a post-tax NPV of US\$953m, IRR of 77% and pay-back period of 1.3 years.
- Following receipt of the DIA, work was accelerated on the Project's DFS and initiated on the compliance phase ('RECAPE') of the environmental licencing process.
- A two-phase, 13,500m/230-hole drilling programme was initiated in October for DFS and RECAPE related data collection, including upgrades to the Project's existing JORC 2012 Compliant Resources.

#### *Stakeholder Engagement*

- Savannah hosted or attended a series of local public meetings throughout the year to provide accurate information on the revised design of the Project to stakeholders.
- Following receipt of the DIA and the new CEO's appointment, the intensity of stakeholder engagement activities in the local area was further increased through formal and informal meetings, publications and the local media.
- Community Insights Group 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, which will be an important component of Savannah's RECAPE submission.
- Savannah maintained regular contact with relevant Portuguese ministries and government agencies and met with several Portuguese MEPs, representatives of the UK and the US Government and other embassies in Portugal.

### *Commercial*

- Following strong commercial interest in the Project for a number of years, Savannah initiated a Strategic Partnering Process (the 'Process') in July.
- Savannah appointed Barclays and Barrenjoey as joint financial advisers to lead on the next phases of the Process.

### **2024 Year to date Summary**

#### *Corporate:*

- In response to the Operation Influencer Investigation, which was made public by the Portuguese Public Prosecutor in November 2023, Savannah announced the conclusions from an Independent Review and Legal Opinions it had commissioned. The Independent Review found no evidence which would give rise to liability in connection with any irregular financial transactions by the Company.
- The Review 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. The Legal Opinions also confirmed that under no realistic circumstance would the Project's execution and its expected future cash flows be at risk from the Investigation's findings.
- Savannah has appointed experienced professionals to the roles of Community Relations Manager and Communications Manager.
- Savannah hosted an investor event in London, attended the PDAC mining conference in Toronto, Benchmark Mineral's Giga Europe conference in Stockholm and Value Investing FM's Grand Event in Madrid.
- The Company received the Overseas Direct Investment Award from the UK-Portugal Business Alliance in March.

### Barroso Lithium Project, Portugal

#### *Technical*

- Over 5,500m of drilling has been completed to date in the current programme with other work for the DFS and RECAPE phase of the environmental licencing process progressing in parallel.
- Savannah expects to complete the DFS by the end of the year which will allow the completion of the RECAPE shortly afterwards.

#### *Stakeholder engagement:*

- Savannah is maintaining its proactive engagement with all local stakeholders via meetings, events, publications and the media as it continues to present the Project and receive feedback.
- Savannah has welcomed a number of guests to Boticas and the Project in the year to date as it steps up engagement with the Project's wider stakeholder group.
- Work has continued on the Project's Social Impact Assessment.

#### *Commercial:*

- The second phase of the Strategic Partnering Process is underway with a short-list of potential partners conducting further due diligence on the Project and Savannah.

- In parallel with the Process, Savannah continues to research and analyse sources of public funding which may be available to the Company as it seeks to progress the Project.

### **Electronic Communications and Notice of AGM**

Key excerpts of the Company's Annual Report and Financial Statements to year end 31 December 2023 are set out below. The full Annual Report and Financial Statements will be posted to those of our members electing to receive paper format notifications. The Company is grateful to the remainder of our shareholders choosing to receive digital notifications as this helps to reduce the Company's carbon footprint. The report is also available for download from the Company's website at:

[www.savannahresources.com/investors/corporate-documents/](http://www.savannahresources.com/investors/corporate-documents/)

Information regarding the Company's AGM will be announced in due course.

### **Regulatory Information**

This Announcement contains inside information for the purposes of the UK version of the market abuse regulation (EU No. 596/2014) as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK MAR").

Savannah – **Enabling Europe's energy transition.**



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## 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 22<sup>nd</sup> 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 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 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 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 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.

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.

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



Source: Company

## 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, 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.
  
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

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

The Financial Statements below should be read in conjunction with the Notes contained within the full Annual Report which is available online at the Company's website at:

<https://www.savannahresources.com/investors/corporate-documents/>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER  
2023**

	<b>2023</b>	2022
	£	£
<b>CONTINUING OPERATIONS</b>		
Revenue	-	-
Other Income	-	-
Administrative Expenses	<b>(3,477,405)</b>	(3,531,894)
Foreign Exchange (Loss)/Gain	<b>(81,116)</b>	814,468
<b>OPERATING LOSS</b>	<b>(3,558,521)</b>	(2,717,426)
Finance Income	<b>108,286</b>	34,695
Finance Costs	<b>(555)</b>	(265)
<b>LOSS FROM CONTINUING OPERATIONS BEFORE TAX</b>	<b>(3,450,790)</b>	(2,682,996)
Tax expense	-	-
<b>LOSS FROM CONTINUING OPERATIONS AFTER TAX</b>	<b>(3,450,790)</b>	(2,682,996)
<b>GAIN/(LOSS) ON DISCONTINUED OPERATIONS NET OF TAX</b>	<b>(167,304)</b>	(176,396)
<b>LOSS AFTER TAX ATTRIBUTABLE TO EQUITY OWNERS OF THE PARENT</b>	<b>(3,618,094)</b>	(2,859,392)
<b>OTHER COMPREHENSIVE INCOME</b>		
<b>Items that will not be reclassified to profit or loss:</b>		
Net change in Fair Value Through Other Comprehensive Income of Equity Investments	<b>(5,289)</b>	(19,598)
<b>Items that will or may be reclassified to profit or loss:</b>		
Exchange (Losses)/Gains arising on translation of foreign operations	<b>(237,364)</b>	665,656
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>(242,653)</b>	646,058
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO EQUITY OWNERS OF THE PARENT</b>	<b>(3,860,747)</b>	(2,213,334)
<b>Loss per share attributable to equity owners of the parent expressed in pence per share:</b>		
<b>Basic and diluted</b>		
From Operations	<b>(0.20)</b>	(0.17)
From Continued Operations	<b>(0.20)</b>	(0.16)
From Discontinued Operations	<b>(0.00)</b>	(0.01)

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

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

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



## COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	2023	2022
	£	£
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Investments in Subsidiaries	333,740	333,740
Other Receivables	34,451,813	31,877,211
Other Non-Current Assets	-	6,776
	<u>34,785,553</u>	<u>32,217,727</u>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>34,785,553</b>	<b>32,217,727</b>
<b>CURRENT ASSETS</b>		
Equity instruments at FVTOCI	6,688	11,977
Trade and Other Receivables	146,252	238,189
Cash and Cash Equivalents	8,226,519	6,241,356
	<u>8,379,459</u>	<u>6,491,522</u>
<b>TOTAL CURRENT ASSETS</b>	<b>8,379,459</b>	<b>6,491,522</b>
<b>TOTAL ASSETS</b>	<b>43,165,012</b>	<b>38,709,249</b>
<b>EQUITY AND LIABILITIES</b>		
<b>SHAREHOLDERS' EQUITY</b>		
Share Capital	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	600,709	403,749
FVTOCI Reserve	(46,324)	(41,035)
Retained Earnings	(29,540,322)	(27,442,644)
	<u>42,620,322</u>	<u>38,185,846</u>
<b>TOTAL EQUITY</b>	<b>42,620,322</b>	<b>38,185,846</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Trade and Other Payables	544,690	523,403
	<u>544,690</u>	<u>523,403</u>
<b>TOTAL LIABILITIES</b>	<b>544,690</b>	<b>523,403</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>43,165,012</b>	<b>38,709,249</b>

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

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

## 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
<b>Loss for the year</b>	-	-	-	-	-	-	-	<b>(3,618,094)</b>	<b>(3,618,094)</b>
<b>Other Comprehensive Income</b>	-	-	-	-	<b>(237,364)</b>	-	<b>(5,289)</b>	-	<b>(242,653)</b>
<b>Total Comprehensive Income for the year</b>	-	-	-	-	<b>(237,364)</b>	-	<b>(5,289)</b>	<b>(3,618,094)</b>	<b>(3,860,747)</b>
<b>Issue of Share Capital (net of expenses)</b>	<b>1,391,901</b>	<b>4,905,159</b>	-	-	-	-	-	-	<b>6,297,060</b>
<b>Share based payment charges</b>	-	-	<b>43,423</b>	-	-	<b>208,930</b>	-	-	<b>252,353</b>
<b>Lapse of options</b>	-	-	-	-	-	<b>(11,970)</b>	-	<b>11,970</b>	-
<b>At 31 December 2023</b>	<b>18,281,499</b>	<b>46,598,337</b>	<b>43,423</b>	<b>6,683,000</b>	<b>389,566</b>	<b>600,709</b>	<b>(46,324)</b>	<b>(44,606,003)</b>	<b>27,944,207</b>

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

## 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
<b>Profit for the year</b>	-	-	-	-	-	-	(2,109,648)	(2,109,648)
<b>Other Comprehensive Income</b>	-	-	-	-	-	(5,289)	-	(5,289)
<b>Total Comprehensive Loss for the year</b>	-	-	-	-	-	(5,289)	(2,109,648)	(2,114,937)
<b>Issue of Share Capital (net of expenses)</b>	1,391,901	4,905,159	-	-	-	-	-	6,297,060
<b>Share based payment charges</b>	-	-	43,423	-	208,930	-	-	252,353
<b>Lapse of options</b>	-	-	-	-	(11,970)	-	11,970	-
<b>At 31 December 2023</b>	<b>18,281,499</b>	<b>46,598,337</b>	<b>43,423</b>	<b>6,683,000</b>	<b>600,709</b>	<b>(46,324)</b>	<b>(29,540,322)</b>	<b>42,620,322</b>

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

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

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

**COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023**

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

**\*\*ENDS\*\***