



AME EAST AFRICA LTD
A SAVANNAH RESOURCES GROUP COMPANY

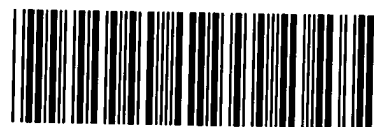
AME EAST AFRICA LIMITED

Company No. 08655008

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

SATURDAY



A9IQ08TT

A29

28/11/2020

#159

COMPANIES HOUSE

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Page
Report of the Directors	1
Statement of Directors' Responsibilities	2
Report of the Independent Auditor	3
 FINANCIAL STATEMENTS	
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
 COMPANY INFORMATION	 16

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2019

The Directors present their report with the financial statements for the year ended 31 December 2019.

Principal Activities and Incorporation

The principal activity during the year was that of an intermediate holding company. The financial statements are presented for the year to 31 December 2019.

Director

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

Mr D S Archer
Mr C M McGarty

Statement as to Disclosure of Information to Auditors

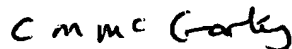
So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant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

Auditors

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

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

On behalf of the board:



C M McGarty
Director
Date: 27 November 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2019

The directors are responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the director has elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 Company and of the profit or loss 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 IFRSs as adopted by the European Union, 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.

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
AME EAST AFRICA LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2019**

Opinion

We have audited the financial statements of AME East Africa Limited ("the Company") for the year ended 31 December 2019 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the statement of cash flows, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements 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 are independent of the 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1 to the financial statements, which explains that the Company is dependent upon the Parent Company, Savannah Resources plc to provide ongoing financial support. However, Group will require additional funding in the next twelve months and there are no formal agreements for this additional funding. As stated in note 1, these events or conditions, along with other matters as set out in note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the report of the Directors and financial statements, 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
AME EAST AFRICA LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2019**

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing a strategic report.

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 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 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
AME EAST AFRICA LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2019**

Use of our report

This report is made solely to the 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 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Stuart Barnsdall (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

27 November 2020

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 £	2018 £
Revenue		67,985	-
Administrative expenses		<u>(234,328)</u>	<u>(385,141)</u>
OPERATING LOSS		(166,343)	(385,141)
Finance costs		<u>(183)</u>	<u>(122)</u>
LOSS BEFORE TAX		(166,526)	(385,263)
Taxation	3	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY		<u>(166,526)</u>	<u>(385,263)</u>

All amounts relate to continuing activities.

All recognised gains and losses are included in the statement of comprehensive income.

The notes on pages 10 to 15 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AME EAST AFRICA LIMITED
REGISTERED NUMBER: 08655008
31 DECEMBER 2019

	Notes	2019 £	2018 £
ASSETS			
NON-CURRENT ASSETS			
Investments in subsidiaries	4	<u>3,391,396</u>	<u>2,998,255</u>
TOTAL NON-CURRENT ASSETS		<u>3,391,396</u>	<u>2,998,255</u>
CURRENT ASSETS			
Trade and other receivables	5	<u>66,037</u>	-
Cash		<u>12,335</u>	<u>12,572</u>
TOTAL CURRENT ASSETS		<u>78,372</u>	<u>12,572</u>
TOTAL ASSETS		<u>3,469,768</u>	<u>3,010,827</u>
EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share capital	6	<u>100</u>	<u>100</u>
Retained earnings		<u>(976,187)</u>	<u>(809,661)</u>
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		<u>(976,087)</u>	<u>(809,561)</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	<u>4,445,855</u>	<u>3,820,388</u>
TOTAL LIABILITIES		<u>4,445,855</u>	<u>3,820,388</u>
TOTAL EQUITY AND LIABILITIES		<u>3,469,768</u>	<u>3,010,827</u>

The financial statements were approved and authorised for issue by the Directors on 27 November 2020 and were signed on its behalf by:

C M McGarty

.....
C M McGarty
 Director
 Company number: 08655008

The notes on pages 10 to 15 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Share capital £	Retained earnings £	Total equity £
At 1 January 2018	100	(424,398)	(424,298)
Total comprehensive expense for the period	-	(385,263)	(385,263)
At 31 December 2018	100	(809,661)	(809,561)
Total comprehensive expense for the year	-	(166,526)	(166,526)
At 31 December 2019	100	(976,187)	(976,087)

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
Retained earnings	Cumulative net gains and losses recognised in the statement of comprehensive income.

The notes on pages 10 to 15 form part of these financial statements.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 £	2018 £
Cash flows used in operating activities			
Loss for the year		(166,526)	(385,263)
Finance expense		-	122
Cash flow from operating activities before changes in working capital		(166,526)	(385,141)
Increase in trade and other receivables		(66,037)	-
Increase in trade and other payables		233,134	385,783
Net cash used in operating activities		571	642
Cash flow used in investing activities			
Net cash outflow on investment in subsidiaries	4	(344,194)	(201,108)
Net cash used in investing activities		(344,194)	(201,108)
Cash flow from financing activities			
Net cash inflow from parent Company	8	343,386	200,612
Net cash outflow from Interest paid		-	(122)
Net cash from financing activities		343,386	200,490
Increase in cash and cash equivalents		(237)	24
Cash and cash equivalents at beginning of the year		12,572	12,548
Exchange gains on cash and cash equivalents		-	-
Cash and cash equivalents at end of the year		12,335	12,572

The notes on pages 10 to 15 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES

Basis of Preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts as the ultimate parent of the Company issues consolidated financial statements available for public use that comply with IFRSs. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

The financial statements are presented for the year to 31 December 2019.

The Company is domiciled in the UK and has its registered office at Salisbury House, London Wall, London, EC2M 5PS.

Presentational and Functional Currency

The presentational and functional currency of the Company is Pound Sterling.

Going Concern

During the year the Company incurred a total comprehensive loss of £166,526 and had a net asset deficiency of £976,087 as at 31 December 2019. The Financial Statements have been prepared on a going concern basis on the basis that the Parent Company, Savannah Resources Plc will provide ongoing financial support to enable the Company to meet its financial obligations as and when they become due and payable. The Parent Company has indicated in writing that this financial support will be forthcoming, however, group management's assessment of going concern indicates that the Group will require additional funding in the next twelve months. Although the Group has been successful in the past in raising equity finance the lack of formal agreements for the additional funding required indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not include the adjustments that would be necessary should the Company be unable to continue as a going concern.

Investments

Investments in subsidiaries are accounted for at cost. These investments are classified as non-current assets on the Statement of Financial Position.

Financial Instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

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.

Financial Assets

Trade and Other Receivables

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

Under IFRS 9, impairment provisions are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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 Company 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.

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

Taxation

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

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

Key Accounting Estimates and Judgements

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

The key accounting estimates and assumptions required in the preparation of the financial information is the carrying value of investment in subsidiary. The Company assesses at each reporting period whether there is any indication that these investments may be impaired. If such indication exists, the Company estimates the recoverable amount of the investments. When the subsidiary is in the early stages of exploration an indication of impairment of the investment may arise from drilling and assay results or from management's decision to terminate the project in the subsidiary.

Accounting Developments During 2019

The accounting policies adopted are consistent with those of the previous financial year. New standards and amendments to IFRS effective as of 1 January 2019 have been reviewed by the Company and there has been no material impact on the Financial Statements as a result of these standards and amendments.

Accounting Developments Not Yet Adopted

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 Company has decided not to adopt early. The Directors do not expect these will have a material impact on the Financial Statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. EMPLOYEES AND DIRECTORS

The average monthly number of employees during the year was as follows:

	2019 No	2018 No
Operational	0	0
Non-operational	1	1
	<u>1</u>	<u>1</u>

Staff Costs (excluding Directors)	2019 £	2018 £
Salaries	103,755	119,772
Bonus	12,612	
Social security	-	-
	<u>116,367</u>	<u>119,772</u>

No Directors received remuneration during the year.

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

3. INCOME TAX

Analysis of the Tax Charge

No UK corporation tax liability arose on ordinary activities for the year ended 31 December 2019 or 31 December 2018.

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:

	2019 £	2018 £
Loss on ordinary activities before tax	<u>(166,526)</u>	<u>(385,263)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2018: 19%)	(31,640)	(73,200)
Effects of:		
Expenses not deductible for tax purposes	373	-
Effect of Group relief	10,510	-
Tax losses carried forward	<u>20,757</u>	<u>73,200</u>
Total income tax	<u>-</u>	<u>-</u>

Deferred Tax

The Company has carried forward losses amounting to £898,252 as at 31 December 2019 (2018: £789,005). 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

4. INVESTMENTS

Company undertakings £

At 1 January 2018	2,618,724
Additional investment in subsidiaries	379,531
At 31 December 2018	2,998,255
Additional investment in subsidiaries	393,141
At 31 December 2019	3,391,396

The additions in 2019 and 2018 represents the investment in Matilda Minerals Limitada and additional funds invested to fund exploration on the subsidiaries licenses in Mozambique.

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

The Company had the following subsidiary undertakings, either directly or indirectly, at 31 December 2019, which have been included in the Financial Statements.

Subsidiary	Country of Incorporation	Nature of business	Class of share	% Holding
Matilda Minerals Limitada	Mozambique ¹	Mining & exploration	Ordinary	99.99%
Panda Recursos Limitada	Mozambique ²	Mining & exploration	Ordinary	99.99%

¹ Damiao de Gois, no 438, Sommerschield, Maputo, Mozambique

² Rua 1301, Num 97, Sommerschield, Maputo, Mozambique

5. TRADE AND OTHER RECEIVABLES

	2019 £	2018 £
Current:		
Amounts due from Group companies	66,037	-
	66,037	-

The management has reviewed the recoverability of these balances and concluded that these are fully recoverable, therefore no impairment has been registered in 2019.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

6. SHARE CAPITAL

Allotted, issued and fully paid	2019		2018	
	£0.01 ordinary shares number	£	£0.01 ordinary shares number	£
At beginning of year	10,000	100	10,000	100
Issued during year	-	-	-	-
At end of year	10,000	100	10,000	100

On incorporation, 10,000 ordinary shares of £0.01 were issued for £100.

7. TRADE AND OTHER PAYABLES

	2019 £	2018 £
Current:		
Trade creditors	18,703	11,795
Accruals	1,050	3,321
Amounts due to parent undertaking	4,426,102	3,805,272
	4,445,855	3,820,388

8. RELATED PARTY TRANSACTIONS

	2019 £	2018 £
Payables to related parties:		
- Savannah Resources Plc (parent)	4,426,102	3,805,272

Balances with the parent arise due to recharges, payments made to suppliers on the Company's behalf by the parent company and funds received from the parent company to be invested in the Company's subsidiaries. The balances are repayable on demand.

	2019 £	2018 £
Receivable from related parties:		
- Savannah Lithium Lda (Group Company)	66,037	-

Balances receivable from Savannah Lithium Lda arise due to recharge of costs incurred by the Company on behalf of Savannah Lithium Lda. The balances are repayable on demand.

9. FINANCIAL INSTRUMENTS

Financial Instruments - Risk Management

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company'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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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

Principal Financial Instruments

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

- trade and other receivables
- cash at bank
- trade and other payables

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

Liquidity Risk

The Company has sufficient funding in place to meet its operational commitments through the support of its parent entity Savannah Resources Plc and is not exposed to any liquidity risk. However, in common with many exploration Groups, the parent company is likely to need to raise funds for its exploration activities. The Company's policy continues to be to ensure that it has adequate liquidity by careful management of its working capital. Current cash flow projections indicated that the Company expected to have sufficient liquid resources to meet its current obligations under all reasonably expected circumstances, through the support of its parent entity Savannah Resources Plc.

Foreign Exchange Risk

The Company is exposed through its operations to foreign exchange risk which arises because the Company has overseas operations located in Mozambique whose functional currency is MZN. The Company's net assets arising from overseas operations are exposed to currency risk resulting in gains or losses on retranslation into Pound Sterling.

Foreign exchange risk also arises when the Company enter into transactions denominated in a currency other than their functional currency. The Company's policy is, where possible, to allow its subsidiaries to settle liabilities denominated in their functional currency (MZN) with the cash remitted to those operations in their functional currency where practical or in USD. Larger contracts in Mozambique are denominated in USD.

10. ULTIMATE PARENT UNDERTAKING

The ultimate parent company is Savannah Resources plc, company no. 07307107 registered in England and Wales.

11. EVENTS SINCE THE REPORTING DATE

On 11 March the World Health Organisation officially declared the Coronavirus outbreak affecting the world as a "pandemic". Its effects on global financial markets and everyday life in many countries has been significant and it is expected to cause further uncertainty in the short to medium-term. The Company as part of the Savannah Resources plc Group has taken actions to safeguard the wellbeing of both its employees and other stakeholders. Such actions may impact the speed of completing the PFS at the Mutamba project in Mozambique and future development of the project. The situation will remain under close review and appropriate actions taken.

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2019**

DIRECTOR:	Mr David Stuart Archer Mr Christopher Michael McGarty
SECRETARY:	Mr Dominic Traynor
REGISTERED OFFICE:	Salisbury House London Wall London EC2M 5PS
REGISTERED NUMBER:	08655008 (England and Wales)
AUDITORS:	BDO LLP Chartered Accountants & Statutory Auditors 55 Baker Street London W1U 7EU