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This document comprises a prospectus relating to the Company prepared in accordance with the UK Prospectus Regulation (as defined below) and Prospectus Regulation Rules made under section 73A of FSMA and made available to the public for the purposes of section 85 of FSMA. This prospectus has been approved by the FCA, as competent authority under the UK version of Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Prospectus Regulation**"). The FCA only approves this prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval by the FCA should not be considered as an endorsement of the issuer and of the quality of the securities that are the subject of this prospectus. The Company's entire issued share capital comprising the Ordinary Shares (the "**Existing Issued Share Capital**") as at the date of this document will be admitted to listing on the standard segment of the Official List ("**Standard Listing**") maintained by the FCA (the "**Official List**"), in its capacity as competent authority under FSMA (under Chapter 14 of the listing rules published by the FCA under section 73A of FSMA (the "**Listing Rules**")) and to trading on the main market for listed securities (the "**Main Market**") of London Stock Exchange plc (the "**London Stock Exchange**"). Applications will be made for the Company's entire issued share capital comprising in aggregate 189,459,550 Ordinary Shares, which includes 11,729,826 existing Ordinary Shares (the "**Existing Ordinary Shares**"), and 50,000,000 Ordinary Shares to be issued in connection with a placing (the "**Placing**") at the issue price of 3.5 pence with no par value (the "**Placing Price**") (the "**Placing Shares**"), and together with the Existing Ordinary Shares, the ("**Enlarged Issued Share Capital**") to be admitted to a Standard Listing on the Official List and to trading on the Main Market of the London Stock Exchange (together, "**Admission**"). It is expected that Admission will become effective, and that unconditional dealings in the Ordinary Shares will commence, at 8.00 a.m. on 1 June 2021. When admitted to trading the Ordinary Shares will have an ISIN of IM00B8C0HK22.

*This prospectus has not been reviewed or approved by any regulatory authority in the Isle of Man.*

The Company and each of the Directors, whose names appear on page 29 of this document ("**the Directors**"), accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import.

**INVESTORS SHOULD READ THIS DOCUMENT IN ITS ENTIRETY. IN PARTICULAR, YOUR ATTENTION IS DRAWN TO THE PART HEADED "RISK FACTORS" (on Page 11 FOR A DISCUSSION OF THE RISKS THAT MIGHT AFFECT THE VALUE OF YOUR SHAREHOLDING IN THE COMPANY.**

## African Pioneer plc

*(Incorporated in the Isle of Man under the Isle of Man Companies Act 2006)*

### Placing of 50,000,000 Placing Shares at a Placing Price of 3.5 pence per share

#### **Admission of the Enlarged Issued Share Capital to the Official List (by way of a Standard Listing under Chapter 14 of the Listing Rules) and to trading on the main market for listed securities of the London Stock Exchange**

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**This document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, any Ordinary Shares nor any other securities in any jurisdiction. The Ordinary Shares will not be generally made available or marketed to the public in the UK or any other jurisdiction in connection with Admission.**

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A copy of this document is available, subject to certain restrictions relating to persons resident in any Restricted Jurisdiction (as defined below), at the Company's website [www.africanpioneerplc.com](http://www.africanpioneerplc.com). Neither the content of the Company's website nor any website accessible by hyperlinks to the Company's website is incorporated in, or forms part of, this document.

The Ordinary Shares comprising the Enlarged Issued Share Capital will rank *pari passu* in all respects with all Ordinary Shares in issue on Admission, including the right to receive dividends and other distributions declared following Admission. This document does not constitute an offer to sell or an invitation to purchase or subscribe for, or the solicitation of an offer or invitation to purchase or subscribe for, Ordinary Shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Ordinary Shares.

### **Notice to overseas shareholders**

The distribution of this document in or into jurisdictions other than the UK may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

None of the Ordinary Shares have been approved or disapproved by the United States Securities and Exchange Commission (the "SEC"), any state securities commission in the United States or any other regulatory authority in the United States, nor have any of the Ordinary Shares or the accuracy or the adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

The Ordinary Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"). The Ordinary Shares may not be offered or sold in the United States, except to qualified institutional buyers ("QIBs"), as defined in, and in reliance on, the exemption from the registration requirements of the U.S. Securities Act provided in Rule 144A under the U.S. Securities Act ("Rule 144A") or another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Outside of the United States, the Placing is being made in offshore transactions as defined in Regulation S of the U.S. Securities Act.

No actions have been taken to allow a public offering of the Ordinary Shares under the applicable securities laws of any jurisdiction, including Australia, Canada, Japan or South Africa. Subject to certain exceptions, the Ordinary Shares may not be, offered, sold, resold, transferred or distributed, directly or indirectly, within, into or in the United States or to or for the account or benefit of persons in the United States, Australia, Canada, Japan, South Africa or any other jurisdiction where such offer or sale would violate the relevant securities laws of such jurisdiction (a "Restricted Jurisdiction"). This document does not constitute an offer of, or the solicitation of an offer to subscribe for or purchase any of the Ordinary Shares to any person in any Restricted Jurisdiction. The Ordinary Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

Other than in the UK, no action has been taken or will be taken to permit the possession or distribution of this document (or any other offering or publicity materials relating to the Ordinary Shares) in any Restricted Jurisdiction. Accordingly, neither this document, nor any advertisement, nor any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, no actions have been or will be taken to permit a public offering of the Ordinary Shares under the applicable securities laws of any Restricted Jurisdiction. For a description of these and certain further restrictions on the offer, subscription, sale and transfer of the Ordinary Shares and distribution of this document, please see Part III — Important Information of this document.

### **Available information for investors in the United States**

For so long as any of the Ordinary Shares are in issue and are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, the Company will, during any period in which it is not subject to section 13 or 15(d) under the U.S. Securities Exchange Act of 1934, as amended (the "U.S. Exchange Act"), nor exempt from reporting under the U.S. Exchange Act pursuant to Rule 12g3-2(b) thereunder, make available to any holder or beneficial owner of an Ordinary Share, or to any prospective purchaser of an Ordinary Share designated by such holder or beneficial owner, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the U.S. Securities Act.

A Standard Listing will afford investors in the Company a lower level of regulatory protection than that afforded to investors in companies with listings on the premium segment of the Official List ("Premium Listing") which are subject to additional obligations under the Listing Rules.

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## PART I SUMMARY

### SECTION A – INTRODUCTION AND WARNINGS

#### Introduction

African Pioneer plc, (“African Pioneer”, “APP” or the “Company”) has its registered office at 34 North Quay, Douglas, Isle of Man, IM1 4L (telephone number: +44 1624 679000). The Company’s LEI is 213800QQF8O18CMJPW43.

The securities to which this prospectus relates are the ordinary shares of no par value each with ISIN IM00B8C0HK22 (“Ordinary Shares”).

This document comprises a prospectus relating to the Company prepared in accordance with the UK Prospectus Regulation and approved on 26 May 2021 by the Financial Conduct Authority (“FCA”) as the competent authority for listing in the United Kingdom pursuant to Part VI of the Financial Services and Markets Act 2000, as amended (“FSMA”). The address of the FCA is 12 Endeavour Square, London E20 1JN and its contact number is 0300 500 8082 from the UK, or +44 207 066 1000 from abroad.

#### Warnings

This summary should be read as an introduction to the prospectus. Any decision to invest in the Ordinary Shares should be based on consideration of the prospectus as a whole by the investor. The investor could lose all or part of the invested capital. Civil liability attaches only to those persons who have tabled this summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the prospectus, or where it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities.

### SECTION B – KEY INFORMATION ON THE ISSUER

#### Who is the issuer of the securities?

The Company is domiciled in the Isle of Man and was incorporated on 20th July 2012 under the Isle of Man Companies Act 2006 with the name of African Pioneer Plc with company registration number 008591V, with registered address being 34 North Quay, Douglas, Isle of Man, IM1 4LB and LEI of 213800QQF8O18CMJPW43.

The principal legislation under which the Company operates is the Isle of Man Companies Act 2006 and the regulations made thereunder. The Company is subject to the UK City Code on Takeovers and Mergers.

#### Current operations / Principal activities and markets

The Company’s principal business is to explore opportunities within the natural resources sector in Sub-Saharan Africa, with a focus on base and precious metals including but not limited to copper, nickel, lead and zinc.

Conditional on admission of the Company’s enlarged issued share capital to a Standard Listing on the Official List and to trading on the Main Market of the London Stock Exchange (“Admission”) the Company is acquiring the following three companies:

- 1) **Zamcu Exploration Pty Ltd (“Zamcu”)**, which via its subsidiaries, holds 70 per cent. interest in the two Namibian Exclusive Prospecting Licenses (“EPLs”) comprising the Ongombo and Ongeama projects, located within the Matchless amphibolite Belt of central Namibia that hosts copper-gold mineralisation (“**Namibian Projects**”);
- 2) **African Pioneer Zambia Limited (“APZ”)**, which holds 100 per cent. interest in the five Zambian Prospecting Licenses (PLs) located in two areas namely (i) the Central Africa Copperbelt (Copperbelt), which is the largest and most prolific mineralized sediment- hosted copper province known on Earth and which comprises four PLs and (ii) the Zambezi area located within the Zambezi Belt of southern Zambia that hosts a lower Katanga Supergroup succession which, although less studied than its northern counterpart, also hosts a number of Copperbelt-style occurrences and which comprises one PL (“**Zambian Projects**”); and
- 3) **Resource Capital Partners Pty Ltd (“RCP”)**, which holds 100 per cent. interest in the Botswana Prospecting Licenses (“PLs”) located in two areas namely (i) the Kalahari Copperbelt (KC) that contains copper-silver mineralisation and which is generally stratabound and hosted in metasedimentary rocks that have been folded, faulted and metamorphosed to greenschist facies during the Damara Orogeny and which comprises six PLs and (ii) the Limpopo Mobile Belt (“Limpopo”) set within the Motloutse Complex of eastern Botswana, a transitional boundary between the Zimbabwe Craton to the north and the Limpopo Mobile Belt to the south, which comprises two PLs (“**Botswanan Projects**”) (together the “**Projects**”) (the “**Subsidiaries**”) (together the “**Group**”).

No current JORC 2012 compliant Mineral Resources exist for any of the Projects and no Mineral Reserve estimates have been completed for the Projects.

The Company’s main focus at Admission will be on evaluating and advancing the Namibian and Zambian Projects as the Botswana Projects are the subject of the Conditional Botswana Licence Sale Agreement described in the following paragraph.

The Botswana Projects have been acquired at an attractive purchase price of £350,000, as although unexplored, they are located in an highly prospective area for copper projects and it was the Company’s original intention to conduct an initial 18 month exploration work programme to assess the prospectively of the Botswanan Projects and assess the best way of developing them. However, whilst working on the Admission, the Company was approached by Sandfire Resources Limited, listed on the Australian Stock Exchange and capitalised at approximately A\$1 billion (“Sandfire”), who have a large established presence in the Kalahari Copperbelt, with a proposal to acquire the Botswanan Projects. The Company has seen this as an opportunity for Sandfire to take over ownership and responsibility for the exploration stage of the Botswanan assets whilst allowing the Group to share in the potential upside should the exploration ultimately be successful in establishing a mineable reserve. Accordingly, on 12 March 2021 the Company entered into a conditional licence sale agreement with Sandfire (the “Conditional Botswana Licence Sale Agreement”) under which the Company

guaranteed the sale to Sandfire following Admission of all the Botswanan Licences in return for a payment at completion of the Conditional Botswana Licence Sale Agreement of US\$1,000,000 with US\$500,000 in cash and US\$500,000 by the issue of 107,271 Sandfire Shares (which will not be subject to any trading restrictions). Sandfire has the in-country infrastructure and technical expertise and financial resources to accelerate the rate of expenditure on the Botswanan assets by agreeing to fund a minimum of US\$1 million of expenditure (compared to the Group's 18 month budget of US\$176,000) and the proceeds from the sale to Sandfire will allow the Group to concentrate its increased financial resources and its management capabilities on its remaining two projects in Namibia and Zambia. In addition, as part of the relationship with Sandfire, they have agreed to come in as a cornerstone investor into the Company making a US\$500,000 investment in the Company as described in the following paragraph.

The Conditional Botswana Licence Sale Agreement is conditional *inter alia* on ministerial consent and applicable competition approval in Botswana. Upon these conditions precedent being met the Botswana licences will no longer form part of the Group. However, if the conditions precedent of the Conditional Botswana Licence Sale Agreement are not met by the long stop date of 30 September 2021 or such later date as agreed by the parties then the Botswana licences will remain part of the Group. Separately, Sandfire has subscribed for US\$500,000 of interest free unsecured loan notes convertible upon Admission into Ordinary Shares constituting 15 per cent. of the Company's enlarged issued share capital on Admission. Sandfire will also have the right to nominate a director to the Board of the Company whilst their shareholding remains at or above that level and to participate in all future share offerings or subscriptions so as to maintain its shareholding at 15 per cent. in the Company.

The Company's short to medium term strategic objectives are to enhance the value of its mineral resource Projects through exploration and technical studies conducted by the Company or through joint venture or other arrangements (such as sale of the Botswanan Projects to Sandfire) with a view to establishing the Projects can be economically mined for profit. With a positive global outlook for both base and precious metals, the Directors believe that the Projects provide a base from which the Company will seek to add significant value through the application of structured and disciplined exploration.

### Major Shareholders

As at the close of business on 25 May 2021 (the "Latest Practicable Date"), insofar as the Company has been notified, the following persons were directly or indirectly interested in 3 per cent. or more of the Company's issued share capital. Their proportionate ownership immediately following Admission is also set out below.

Name	Number of existing shares at Latest Practicable Date	% of existing share capital held at Latest Practicable Date	Number of shares held immediately following Admission	% of enlarged share capital held immediately following Admission	Warrants to be issued on Admission	% of fully diluted enlarged share capital assuming exercise of all warrants in issue on Admission
Tiger Royalties & Investments PLC	5,952,913	50.75%	8,810,056	4.65%	–	3.88%
Colin Bird**	1,061,728	9.05%	21,061,728	11.12%	–	9.27%
Bruce Rowan - Estate	1,061,728	9.05%	1,061,728	0.56%	–	0.47%
Raju Samtani	1,061,728	9.05%	16,061,728	8.48%	–	7.07%
Michael Nolan	1,061,728	9.05%	1,061,728	0.56%	–	0.47%
Novum Securities Nominees A/C	400,000	3.41%	400,000	0.21%	–	0.18%
Sanderson Capital Partners Limited	–	0.00%	8,571,428	4.52%	8,571,428	7.55%
Sandfire Resources Ltd	–	0.00%	28,418,932	15.00%	–	12.51%
Christian Cordier*	–	0.00%	15,000,000	7.92%	–	6.60%
Mohamad Ahmad	–	0.00%	15,000,000	7.92%	–	6.60%
Intertrader	–	0.00%	14,285,714	7.54%	–	6.29%

\* Christian Cordier's shareholding includes 4,000,000 Ordinary Shares held by Tonehill Pty Ltd and 3,000,000 Ordinary Shares held by Coreks Super Pty Ltd both of which companies are owned and controlled by Mr Christian Cordier, the Company's Director. It also includes 8,000,000 Ordinary Shares held via Breamline Pty Ltd of which Mr Christian Cordier is a director and which is a trustee company for Breamline Ministries "Breamline".

\*\* Colin Bird's shareholding includes 5,000,000 Ordinary Shares held by Campden Park Trading, a company owned and controlled by Mr Colin Bird, the Company's Chairman

### Key Management and Statutory Auditors

The Company's executive directors are Colin Bird (Chairman) and Raju Samtani (Finance Director) and Christian Cordier (Business Development Director).

The Company's statutory auditors are Greystone LLC.

### What is the key financial information regarding the issuer?

Selected financial information for the Company is set out for below together with the *pro forma* financial information for the Group. Investors should read the whole of this document and not rely solely on the summarised financial information set out in this paragraph.

**Company Statement of Comprehensive Income**

*All amounts stated in Pound Sterling*

	31 December 2020 (audited) £	31 December 2019 (audited) £	31 December 2018 (audited) £
<i>Income</i>			
Interest receivable	1	3	15
Dividend receivable	341	1,030	754
Realised gain/(loss) on sale of investments	(81,707)	–	(22,050)
Unrealised gain/(loss) on investments	138,231	(26,241)	(79,936)
<b>Total income</b>	<b>56,866</b>	<b>(25,208)</b>	<b>(101,217)</b>
Administrative expenses:			
Accounting, administrative and legal fees	(7,537)	(6,000)	(6,150)
Audit fees	(9,999)	(2,167)	(2,167)
Director fees	(3,600)	(3,600)	25,605
Management services	(10,800)	(10,800)	(10,800)
Listing related costs	(63,045)	–	–
Mining licenses and rights	(41,323)	–	–
Other admin expenses	(5,958)	(3,450)	(3,243)
Interest Expense	(4,760)	(4,061)	(2,060)
Total expenses	<u>(147,022)</u>	<u>(30,078)</u>	<u>1,185</u>
OPERATING (LOSS) FOR THE PERIOD	<u>(90,156)</u>	<u>(55,286)</u>	<u>(100,032)</u>
Taxation	–	–	–
<b>NET PROFIT / (LOSS) FOR THE PERIOD</b>	<b>(90,156)</b>	<b>(55,286)</b>	<b>(100,032)</b>
<b>Other comprehensive income</b>	<u>–</u>	<u>–</u>	<u>29,295</u>
<b>Total comprehensive income / (loss)</b>	<b><u>(90,156)</u></b>	<b><u>(55,286)</u></b>	<b><u>(100,032)</u></b>

**Company Statement of Financial Position**

*All amounts stated in Pound Sterling*

	31 December 2020 (audited) £	31 December 2019 (audited) £	31 December 2018 (audited) £
<b>NON CURRENT ASSETS</b>			
Available for sale investments	99,105	106,469	132,710
<b>Total Non-Current Assets</b>	<b>99,105</b>	<b>106,469</b>	<b>132,710</b>
<b>CURRENT ASSETS</b>			
Trade and other receivables	420	420	420
Cash and cash equivalents	87,462	1,576	23,494
<b>Total Current Assets</b>	<b>87,882</b>	<b>1,996</b>	<b>23,914</b>
<b>TOTAL ASSETS</b>	<b>186,987</b>	<b>108,465</b>	<b>156,624</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	(50,730)	(11,520)	(8,454)
<b>Total Current Liabilities</b>	<b>(50,730)</b>	<b>(11,520)</b>	<b>(8,454)</b>
Loans	(49,143)	(44,675)	(40,614)
<b>NET ASSETS / (LIABILITIES)</b>	<b>87,114</b>	<b>52,270</b>	<b>107,556</b>
<b>EQUITY</b>			
Share capital	452,983	452,983	452,983
Retained earnings	(552,315)	(462,159)	(406,873)
Capital Contribution	61,446	61,446	61,446
<b>TOTAL EQUITY</b>	<b>87,114</b>	<b>52,270</b>	<b>107,556</b>

## Company Statement of Cash Flows

All amounts stated in Pound Sterling

	31 December 2020 (audited) £	31 December 2019 (audited) £	31 December 20187 (audited) £
<b>Cash Flow from Operations</b>			
(Loss)/Profit before taxation	(90,156)	(55,286)	(100,032)
Adjustments for			
Interest Received	(1)	(3)	(15)
Dividends Received	(341)	(1,030)	(754)
(Loss)/Gain on disposal	81,707	–	22,050
Unrealised loss on investments	(138,231)	26,241	79,936
Interest Expense	4,760	4,061	2,060
Operating (loss) before movements in working capital	(142,262)	(26,017)	3,245
Increase in receivables	–	–	–
Increase / Decrease in payables	38,918	3,066	(128,211)
<b>Net cash outflow from operating activities</b>	<u>(103,344)</u>	<u>(22,951)</u>	<u>(124,966)</u>
<b>Taxation paid</b>	<u>–</u>	<u>–</u>	<u>–</u>
<b>Cash flow from Investing Activities</b>			
Interest received	1	3	15
Dividends received	341	1,030	754
Investments purchased	–	–	(26,507)
Investments sold	63,888	–	54,730
<b>Net cash inflow from investing activities</b>	<u>64,230</u>	<u>1,033</u>	<u>28,992</u>
<b>Cash flow from financing activities</b>			
Issue of convertible loan notes	125,000	–	–
Capital contribution arising on loan from parent company	–	–	100,000
<b>Net cash inflow from financing activities</b>	<u>125,000</u>	<u>–</u>	<u>100,000</u>
<b>Net increase/(decrease) in cash and cash equivalents in the period</b>	<u>85,886</u>	<u>(21,918)</u>	<u>4,026</u>
Cash and cash equivalents at the beginning of the period	1,576	23,494	19,468
<b>Cash and cash equivalents at the end of the period</b>	<u>87,4662</u>	<u>1,576</u>	<u>23,494</u>

Other than the Company paying expenses in connection with the Transaction, there has been no significant change in the financial performance or financial position of the Company since 31 December 2020, being the end of the last financial period for which historical financial information has been prepared.

## Unaudited pro forma consolidated statement of net assets as at 30 December 2020

### Unaudited pro forma balance sheet

	<i>The Company as at 30-Dec-20 Note 1</i>	<i>Net financing proceeds Note 2</i>	<i>Acquisitions of the three Subsidiaries Note 3</i>	<i>Other adjustments Note 4</i>	<i>Pro forma net assets of the Group as at 31 Dec 2020</i>
<b>Fixed Assets</b>					
Investments – shares for resale	99,105	0	0	0	99,105
Goodwill	0	0	3,128,943	41,205	3,170,148
	<u>99,1056</u>	<u>0</u>	<u>3,128,943</u>	<u>41,205</u>	<u>3,269,253</u>
<b>Current Assets</b>					
Debtors – Prepayments	420	0	743	0	1,163
Bank and cash balances	87,462	1,882,491	(166,912)	0	1,803,041
	<u>87,462</u>	<u>1,882,491</u>	<u>(166,170)</u>	<u>0</u>	<u>1,804,203</u>
<b>Current Liabilities</b>					
Creditors and accruals	(50,730)	0	(273)	(41,205)	(92,208)
	<u>(50,730)</u>	<u>0</u>	<u>(273)</u>	<u>(41,205)</u>	<u>(92,208)</u>
<b>Net Current Assets</b>					
<b>Non-current liabilities</b>	<b>37,152</b>	<b>1,882,491</b>	<b>(166,443)</b>	<b>(41,205)</b>	<b>1,711,995</b>
Loans	(49,143)	0	0	49,143	0
<b>Net assets</b>	<b><u>87,114</u></b>	<b><u>1,882,491</u></b>	<b><u>2,962,500</u></b>	<b><u>49,143</u></b>	<b><u>4,981,248</u></b>
Represented by:					
<b>Capital and Reserves</b>					
Share capital	452,983	2,260,878	2,962,500	100,000	5,776,361
Capital contribution reserve	186,446	(125,000)	0	0	61,446
P&L reserve	(552,315)	0	0	0	(552,315)
P&L for the year	0	(253,387)	0	(50,857)	(304,244)
	<u>87,114</u>	<u>1,882,491</u>	<u>2,962,500</u>	<u>49,143</u>	<u>4,981,248</u>

#### Notes:

1. The financial information for the Company has been extracted without adjustment from the audited results for the Company as at 31 December 2020.
2. The Net financing proceeds adjustments reflect:
  - the Placing proceeds of £1,750,000 (gross) less associated Placing and Admission expenses which are estimated to be £447,500 ("Expenses"), of which £83,378 is to be paid in new Ordinary Shares. Of the Expenses, £63,045 has already been paid as at 31 December 2020 and accordingly has been added back, so that the net proceeds from the Placing (in cash) are expected to be £1,448,923 ("Net Placing Proceeds"); and
  - pre-IPO loan of \$500,000 (£365,000) which converts into new Ordinary Shares on Admission at a share price which gives a 15% holding in the Company post Admission and a further £150,000 pre-IPO loan which converts into new Ordinary Shares on Admission at 1.75p per share of which £125,000 was paid pre 31 December 2020 and £25,000 post year end.
Accordingly, the Net financing proceeds of £1,838,923 equals the Net Placing Proceeds of £1,448,923 + the £365,000 pre-IPO loan + £25,000 of the £150,000 pre-IPO loan received post year end.
3. The financial information for the three Subsidiaries has been extracted without material adjustment (other than, as described below, the translation into the Group's reporting currency) from the historical financial information as at 29 October 2020. The balance sheets of the Subsidiaries have been translated into GBP. It assumed that the transaction to acquire Subsidiaries gives rise to goodwill and no impairment of the goodwill generated upon consolidation is required. The balance sheet also includes a payment of £131,367 and AUD\$64,000 as a cash payment as part of the consideration for one of the subsidiary entities being acquired.
4. Within 'other adjustments' there is an adjustment for loans from shareholders totalling \$54,940 in respect of exploration licences acquired. In addition, within other adjustments there is a convertible loan held at amortised cost with Tiger Resource Plc of £49,143 which converts into £100,000 in new Ordinary Shares on Admission at an issue price of 3.5p per shares.
5. The subsidiary acquisitions are being financed by share issues. Zamcu Exploration Pty Ltd contains net liabilities of £272 and is being financed by a share issue of £687,500, and a payment of AUD\$200,000 (£110,000) and a further payment of AUD\$64,000 (£35,556). This gives rise to goodwill of £833,328. African Pioneer Zambia Ltd has net assets of £743 and is being financed by a share issue of £1,925,000 giving rise to goodwill of £1,924,257. African Pioneer Zambia has a further loan of \$54,940 (£41,205) which became an obligation for the purposes of the balance sheet after 29 October 2020, and this was for exploration licenses. Goodwill also increased by this amount in respect of these exploration licenses. Resource Capital Partners (Proprietary) Limited has net assets of £nil and is being financed by a share issue totalling £350,000, giving rise to Goodwill of £350,000. No impairment of goodwill has been assumed for the purposes of the pro-forma.

#### **What are the key risks that are specific to the issuer?**

- As the Group will only be acquiring its three Projects at Admission and the three Projects are early stage exploration projects the Group is at an early stage of development. The Group will generate sustained losses as it seeks to explore and develop its Projects and which will require the Company to raise additional finance in the future.
- No current Mineral Resources or Reserves exist for any of the Projects.
- The Group will have had no trading history as an operating company as it will only be acquiring its Projects at Admission.
- There can be no assurance that exploration of the licence areas of the Company's Projects, or any other permits that the Company may acquire an interest in, will result in the discovery of an economic mineral reserve.
- Even if an apparently viable reserve is identified at a Project of the Company, there is no guarantee that it can be commercially exploited.
- Even if the Group recovers potentially commercial minerals, at a Project there is no guarantee that the Group will be able to successfully transport the minerals to commercially viable markets or sell the minerals to customers to achieve a commercial return
- Copper will be the focus of the Company's exploration projects. Fluctuations for the demand and supply for the products and industries which use copper and / or technological advances in these products and industries will affect the demand for and price of copper. Products which use copper include but are not limited to electrical equipment such as wiring and motors; electrical storage solutions for the electronic vehicle & machinery market; in construction (for example roofing and plumbing), and industrial machinery (such as heat exchangers)

#### **SECTION C – KEY INFORMATION ON THE SECURITIES**

##### **What are the main features of the securities?**

The type and class of securities being issued by the Company are ordinary shares with a nominal value of zero par value each in the capital of the Company (the "Ordinary Shares") and which will be denominated and traded in pounds sterling. The Ordinary Shares are registered with ISIN IM00B8C0HK22, SEDOL Code B8C0HK2, and TIDM AFP.

11,729,826 Ordinary Shares have been issued at the date of this prospectus (the "Existing Ordinary Shares"), all of which have been fully paid up. The term of the securities is perpetual.

A shareholder in the Company ("Shareholder") has the right to receive notice of and to attend and vote at any meetings of Shareholders. Each Shareholder entitled to attend and being present in person or by proxy at a meeting will, upon a show of hands, have one vote and upon a poll each such Shareholder present in person or by proxy will have one vote for each Ordinary Share held by such Shareholder. If two or more persons hold an Ordinary Share jointly, the vote of the senior who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the other joint holders.

Pre-emption rights have been disapplied pursuant to the special resolutions passed at the annual general meeting of the Company held on 7 December 2020.

Subject to the Isle of Man Companies Act, and the Company's Articles of Association, on a winding-up surplus assets remaining after payment of all creditors shall be divided among members in proportion to their shareholding at the commencement of the winding up.

The Company does not have any other securities in issue or liens over its assets and so the Ordinary Shares are not subordinated in the Company's capital structure as at the date of this prospectus and will not be immediately following Admission.

The Ordinary Shares are freely transferable and tradable and there are no restrictions on transfer. Each Shareholder may transfer all or any of their Ordinary Shares which are in certificated form by means of an instrument of transfer in any usual form or in any other form which the Directors may approve.

Each Shareholder may transfer all or any of their Ordinary Shares which are in uncertificated form by means of a 'relevant system' (i.e., the CREST System) in such manner provided for, and subject as provided in, the Isle of Man Uncertificated Securities Regulations 2006 (the "Regulations" or the "CREST Regulations").

The Company's current intention is to retain any earnings for use in its business operations, and the Company does not anticipate declaring any dividends until the Company is generating significant revenue.

##### **Where will the securities be traded?**

As the Company's Ordinary Shares are not currently traded, applications will be made for the admission of the existing Ordinary Shares together with the Ordinary Shares to be issued pursuant to a placing (the "Enlarged Issued Share Capital") to a Standard Listing on the Official List and to trading on the Main Market of the London Stock Exchange.

It is expected that Admission will become effective and that unconditional dealings will commence on the Main Market of the London Stock Exchange at 8.00 a.m. on 1 June 2021.

The Ordinary Shares will not be listed on any other regulated market.

#### **What are the key risks that are specific to the securities?**

- Further to the placing of Ordinary Shares (the “Placing) and although the Company will receive the Net Placing Proceeds, the Directors anticipate that the Group may in future issue a substantial number of additional Ordinary Shares or convertible loan notes, potentially diluting the Ordinary Shares.
- In addition, the Group may incur substantial indebtedness to complete one or more acquisitions.
- There may be a limited number of Shareholders and this factor, together with the number of Ordinary Shares to be issued pursuant to the Placing, may contribute both to infrequent trading in the Ordinary Shares on the London Stock Exchange and to volatile Ordinary Share price movements. Investors should not expect that they will necessarily be able to realise their investment in Ordinary Shares within a period that they would regard as reasonable.

#### **SECTION D – KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC**

##### **Under which conditions and timetable can I invest in this security?**

The Ordinary Shares issued pursuant to the Placing (the “Placing Shares”) which are the subject of this document will be offered by the broker to the Company (“Broker”) and will be offered exclusively to qualified investors under the UK Prospectus Regulation (“Qualified Investors”) and/or relevant person as defined in the FCA Handbook (“Relevant Person”). There will be no offer to the public of the Ordinary Shares and no intermediaries offer.

Application will be made for the Ordinary Shares to be admitted to a Standard Listing on the Official List and to trading on the Main Market of the London Stock Exchange. It is expected that Admission will become effective and that dealings in Ordinary Shares will commence at 8:00 a.m. on 1 June 2021.

Shareholdings immediately prior to Admission will be diluted by approximately 93.81 per cent. as a result of issue of the 84,624,857 consideration shares, 50,000,000 Placing Shares, 39,847,503 loan conversion shares and 3,239,364 fee shares.

##### **Why is this prospectus being produced?**

The Company anticipates raising gross proceeds of £1,750,000 pursuant to the Placing. The costs and expenses of the Placing and Admission will be borne by the Company in full and no expenses or taxes will be charged to investors by the Company. These expenses (including broker commission, listing and Admission fees, printing, advertising and distribution costs and professional advisory fees, including legal fees, and any other applicable expenses) are not expected to exceed £447,500 (“Expenses”), representing approximately 25.6 per cent. of the gross proceeds of the Placing. Of this figure, £83,378 is to be paid in new Ordinary Shares (the “Fee Shares”) and £63,045 has already been paid by the Company from its existing cash resources and thus £301,077 remains to be paid in cash on Admission. Accordingly, the total net placing proceeds following deduction of the Expenses (but not including £83,378 payable in Fee Shares and not including the £63,045 already paid by the Company) on this basis will be £1,448,923 (the “Net Placing Proceeds”).

The Net Placing Proceeds are expected to be used as follows:

	(£'000)
18-month exploration programmes in Zambia, Namibia and Botswana	600
General administration	456
Available for additional exploration / projects	393

The Placing is not being underwritten. The Broker has procured irrevocable commitments to subscribe for the full amount of Placing Shares from subscribers in the Placing, and there are no conditions attached to such irrevocable commitments other than Admission.

## PART II

### RISK FACTORS

Investment in the Company and the Ordinary Shares and proceeding to Admission carries a significant degree of risk, including risks in relation to the Group's business strategy, risks relating to taxation and risks relating to the Ordinary Shares.

Prospective investors should note that the risks relating to the Group, its industry and the Ordinary Shares summarised in *Part I – Summary* of this document are the risks that the Directors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Ordinary Shares. However, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in *Part I – Summary* of this document but also, *inter alia*, the risks and uncertainties described below.

The risks referred to below are those risks the Company and the Directors consider to be the material risks relating to the Group. However, there may be additional risks that the Company and the Directors do not currently consider to be material or of which the Company and the Directors are not currently aware that may adversely affect the Group's business, financial condition, results of operations or prospects. Investors should review this document carefully and in its entirety and consult with their professional advisers before acquiring any Ordinary Shares. If any of the risks referred to in this document were to occur, the results of operations, financial condition and prospects of the Group could be materially adversely affected. If that were to be the case, the trading price of the Ordinary Shares and/or the level of dividends or distributions (if any) received from the Ordinary Shares could decline significantly. Further, investors could lose all or part of their investment.

#### PART A: RISK FACTORS SPECIFIC AND MATERIAL TO THE GROUP

##### **Newly Formed Group with no revenue or trading history**

The Group will have had no trading history as an operating company as it will only acquiring the Namibian Projects, Botswana Projects and Zambia Projects at Admission and due to the early stage of 1) the Group's development, and 2) the Group's exploration Projects, the Group will most likely generate sustained losses which will require the Company to raise additional finance.

The Group is therefore subject to all of the risks and uncertainties associated with any early stage mining exploration business enterprise, including the risk that the Group will not achieve its objectives and that the value of an investment in the Company could decline and may result in the total loss of all capital invested

##### **No resource and reserve estimates**

No current Mineral Resources or Reserves exist for any of the Projects. Therefore, whilst detailed work is intended to be undertaken particularly on certain project areas with a view to establishing resources under a recognised minerals code, no assurance can be given that any mineral resources or reserves will be reported by the Group in the future. Mineral resource estimates are based on limited sampling, and, consequently, are uncertain because the samples may not be representative and the consistency and reliability of ore grades cannot be guaranteed. Mineral resource and reserve estimates may require revisions and/or changes (either up or down) based on actual production experience and in light of the prevailing market price of copper and other commodities. A decline in the market price for the minerals which the Group may discover could render reserves uneconomic to recover and may ultimately result in a reclassification of reserves as resources.

##### **Focus on Southern Africa**

Following the acquisition of the licences, the Group's business risk is concentrated in Southern African natural resource exploration projects. A consequence of this is that returns for Shareholders may be adversely affected if growth in the value of the underlying licences is disappointing or if any of the material assets attached to the licences are subsequently written down.

Accordingly, investors should be aware that investing in the Group could involve an element of concentration risk and that the Group's future performance and ability to achieve positive returns for Shareholders will be dependent on the subsequent performance of the licences.

### **Exploration and land usage licences**

Exploration activities within the natural resources sector are dependent upon the grant, renewal, continuance or maintenance of appropriate permits, licences, concessions, leases and regulatory consents, in particular the Group's exploration licences, which may be valid only for a defined time period and subject to limitations or other conditions related to operational activities.

### **High risk of mining exploration projects**

The Group's business of exploration for minerals involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines and the Group will only have three projects at Admission and the Botswana Project is subject to the Conditional Botswana Sale Agreement. Whilst the CPR sets out information in relation to the Namibia Projects, Botswana Projects and Zambia Projects and concludes the Projects have sufficient geological merit to justify the proposed work programmes and associated expenditure, these may not be found to contain economically recoverable volumes of minerals. Should the mineral deposits contain economically recoverable resources then delays in the construction and commissioning of mining projects or other technical difficulties may result in plans for production being delayed or further capital expenditure being required.

### **Mining Licence renewal risk**

Whilst the Company has investigated the title to, and rights and interests in, the Mining Licenses in Table 1-1 and, to the best of its knowledge, such title, rights and interests are as stated in Table 1-1 this should not be construed as a guarantee of the same or that all these Mining Licenses will be renewed when they expire and if they are renewed that some of the areas under licence will not have to be relinquished. Table 1-1 shows the current expiry dates for the Company's projects.

### **Prospecting Licence conditions**

The licences held by the Company in Namibia, Botswana and Zambia come with various conditions and obligations attached which for example requires the licence holder to develop and maintain a prospecting programme. There are also a series of follow-up and reporting requirements, including submission of quarterly and annual reports on exploration activities and expenditure within the licence area. No assurance can be given that these conditions and obligations will always be strictly met, for reasons either within or outside the Company's control, such as delays which may occur in the exploration programme, the unpredictable nature of the results of exploration drilling, strategic reallocation of scarce resources between projects etc and accordingly minimum required expenditures may not be met, and the licence could potentially be subject to revocation.

### **Infrastructure**

Should the Board decide to proceed with plans for operational change and future development plans and other process upgrades for the licences, significant additional funding may be required to develop any associated infrastructure. Such infrastructure may include additional plant and machinery, minehead equipment and apparatus and extensions to existing site roads and mine site buildings. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure or any failure or unavailability in such infrastructure could materially adversely affect the Group's operations, financial condition, and results of operations.

The Company's decision to develop a mineral property is typically based, in the case of an extension or, in the case of a new development, on the results of a feasibility study. Feasibility studies derive estimates of expected or anticipated project economic returns. These estimates are based on assumptions about future commodity prices, anticipated tonnage, grades and metallurgical characteristics of ore to be mined and processed, anticipated recovery rates of the mineral from the ore, anticipated capital expenditure and cash operating costs and the anticipated return on investment.

## **Development and operating risks**

Actual cash operating costs, production and economic returns may differ significantly from those anticipated by such studies and estimates. There are a number of uncertainties inherent in the development of any new exploration project which are relevant to each of the licences.

These uncertainties include the potentially considerable cost of the exploration; the availability and cost of skilled labour, power, water and consumables, the availability and the need to obtain necessary environmental and other governmental permits and the timing of those permits, and the availability of funds to finance development activities, as referred to elsewhere in this *Part II – Risk Factors of this document*.

## **Exploration, development and production risks**

Mineral exploration and development can be highly speculative in nature and involves a high degree of risk. The economics of developing mineral properties are affected by many factors including the cost of operations, variations of the grade of ore mined, fluctuations in the price of the minerals being mined, fluctuations in exchange rates, costs of development, infrastructure and processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. In addition, the grade of mineralisation ultimately mined may differ from that indicated by drilling results and such differences could be material. As a result of these uncertainties, there can be no guarantee that mineral exploration and development of any of the company's investments will result in profitable commercial operations.

The licences are all at various stages of exploration, and potential investors should understand that mineral exploration is a high-risk undertaking. There can be no assurance that exploration of the licences, or any other permits that the Company may acquire an interest in, will result in the discovery of an economic mineral reserve. Even if an apparently viable reserve is identified, there is no guarantee that it can be commercially exploited. Even if the Company recovers potentially commercial minerals, there is no guarantee that the Company will be able to successfully transport the minerals to commercially viable markets or sell the minerals to customers to achieve a commercial return.

## **Risks in bringing exploration projects into production**

The Company's projects are exploration projects and therefore even if it is able to overcome the risks referred to in the preceding section together with other risks associated with being an exploration company focussed on Southern Africa, there are a considerable number of risks associated with the Natural Resources sector which could lead to an apparently successful exploration project not being developed into a profitable mine, and these are summarised under the Section "Risk Factors relating to the Natural Resources Sector" below.

## **Government regulation and political risk related to Namibia, Botswana and Zambia**

While the Company believes that its potential projects will comply with all material current laws and regulations affecting its activities, future changes in applicable laws, regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements applicable to the Group, which could have a material adverse impact on current operations or planned development projects on the licences.

Where required, obtaining necessary permits and licences can be a complex, time consuming process and the Company cannot assure that any necessary permits will be obtainable on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Group from proceeding with any future exploration or development of its investments.

Group projects are in jurisdictions outside the United Kingdom and accordingly there will be a number of risks which the Group will be unable to control. Whilst the Company or its subsidiaries will make every effort to ensure they have robust commercial agreements covering its activities, there is a risk that their activities will be adversely affected by economic and political factors such as the imposition of additional taxes and charges and changes in exchange control regulations, cancellation or suspension of licences, expropriation of mining and exploration rights, war, terrorism, insurrection and changes to the laws governing mineral

exploration and operations. There is also the possibility that the terms of any licence or permit the Company or their subsidiaries may acquire may be changed.

### **Legal systems**

If the Group makes investments in prospective mineral rich properties, some of the countries in which it may operate could have legal systems that may result in risks such as: (i) potential difficulties in obtaining effective legal redress in the courts of such jurisdictions, whether in respect of a breach of law or regulation, or in an ownership dispute; (ii) a varying degree of discretion on the part of governmental authorities; (iii) the lack of judicial or administrative guidance on interpreting applicable rules and regulations; (iv) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; and (v) relative inexperience of the judiciary and courts in such matters. In certain jurisdictions the commitment of local businesspeople, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to licences and agreements for business. These may be susceptible to revision or cancellation and legal redress maybe uncertain or delayed.

There can be no assurance that joint ventures, permits, licences, licence applications or other legal arrangements will not be adversely affected by the actions of government authorities or others and the effectiveness of and enforcement of such arrangements in these jurisdictions cannot be assured.

Whilst each of Namibia, Botswana and Zambia currently appears to be stable, there is some history of political turbulence in the region and there can be no certainty as to future political and economic stability.

### **Foreign investment and exchange risks**

The Company's functional and presentational currency is UK Pounds Sterling. As a result, the Group's consolidated financial statements will carry the Company's assets in UK Pounds Sterling. However, the licences may generate revenue in local currencies or in other global currencies, for example US dollars.

When consolidating a business that has functional currencies other than UK Pounds Sterling, the Group will be required to translate, *inter alia*, the balance sheet and operational results of such business into UK Pounds Sterling.

Due to the foregoing, changes in exchange rates between UK Pounds Sterling and other currencies could lead to significant changes in the Company's reported financial results from period to period. Among the factors that may affect currency values are trade balances, levels of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political or regulatory developments.

Although the Company may seek to manage its foreign exchange exposure, including by active use of hedging and derivative instruments, there is no assurance that such arrangements will be entered into or available at all times when the Company wishes to use them or that they will be sufficient to cover the risk.

### **Concert Party**

As at the date of this Document, Tiger together with its directors and Kjeld Thygesen, who are all deemed to be acting in concert, are interested in 79.61 per cent. of African Pioneer ("Tiger Group"). Following completion of the Acquisitions and on Admission the Tiger Group's interest will be diluted to 24.91 per cent. and when taken together with the vendors of the Zambian Projects (excluding vendors who are members of the Tiger Group) ("Zambian Vendor Group") and the vendors of the Namibian and Botswanan Projects ("Namibian and Botswanan Vendor Group") will form the enlarged concert party (the "Concert Party") that will hold 51.12 per cent. interest of the Company's Enlarged Share Capital on Admission. Full details of the Concert Party are set out in Part XVII of this Document. Accordingly, for so long as the Concert Party remains treated as acting in concert and continues to hold 50 per cent. or more of the voting rights of the Company, they will be able to increase their interests in the voting rights of the Company, although individual members of the Concert Party cannot acquire interests in shares through or between a Rule 9 threshold without Panel consent. However, if as a result of the exercise of warrants in issue on Admission (or otherwise) they collectively fall below that 50 per cent. level but continue to hold 30 per cent. or more of the voting rights of

the Company, then any further purchase would be subject to Rule 9. Given the wide spread of the Concert Party members, and the fact that none of them individually (not even all African Pioneer Directors' interest when taken together) will on Admission have a controlling holding (i.e. 30 per cent. or more), it has been concluded by the Company that no Relationship Agreement is required. However, given that the Concert Party will collectively have 30 per cent. or more of the issued shares capital of the Company on Admission, there is no guarantee that the Concert party will not be in a position to exert significant influence over the Company, particularly in terms of the passing of ordinary resolutions which require only a simple majority (including the appointment or removal of directors) or delivering control to a potential offeror for the Company.

## **RISK FACTORS RELATING TO THE NATURAL RESOURCE SECTOR**

### **A material decline in commodity prices globally may adversely affect the Company's business, prospects, financial condition and results of operations**

In line with the Company's stated strategy, the Directors believe that at admission the Company's projects represents an excellent opportunity to create long-term shareholder value through the identification and exploration for copper and other minerals and the value of such exploration projects will be dependent upon the future price of commodities.

The focus of the Company's projects is copper. The prices for copper and other commodities are, including base and precious metals, subject to fluctuation and volatility in response to a variety of factors beyond the Company's control, including, but not limited to the following which apply to copper and all commodities unless indicated:

- changes in the global and regional supply and demand for commodities and expectations regarding future supply and demand for commodities;
- changes in global and regional economic conditions and exchange rate fluctuations;
- political, economic and military developments in commodity producing regions;
- prevailing weather conditions;
- geopolitical uncertainty;
- the extent of government regulation and actions, in particular export restrictions and taxes;
- the ability of suppliers, transporters and purchasers to perform on a timely basis, or at all, under their agreements (including risks associated with physical delivery);
- potential influence on commodity prices due to the large volume of derivative transactions on commodity exchanges and over-the-counter markets; and
- copper has various uses including but not limited to electrical equipment such as wiring and motors; electrical storage solutions for the electronic vehicle & machinery market; in construction (for example roofing and plumbing), and industrial machinery (such as heat exchangers) therefore fluctuations in the demand and supply for the products and industries which use copper and / or technological advances in these products and industries will affect the demand for and price of copper.

It is impossible to accurately predict the future price of copper and other commodities. The Company can give no assurance that existing prices will be maintained in the future. For the Company's existing projects or ones it may acquire in the future, a material decline in the price of the relevant commodity prices (principally being the price of copper in relation to the Group's assets held on Admission) will result in a reduction of its net production revenue and a decrease in the valuation of its projects' exploration, appraisal, development and production value. The economics of producing from some mines may change as a result of lower prices, which could result in a reduction in the production quantities. Any of these factors could potentially result in a material decrease in the value of the Company's projects. Company's net production revenue and the financial resources available to it to make planned capital expenditures, resulting in a material adverse effect on its future financial condition, business, prospects and results of operations.

## **Activities in the natural resource sector can be dangerous and may be subject to interruption**

As such, the Company's operations are subject to the significant hazards and risks inherent in the exploration and mining sector. These hazards and risks include:

- explosions and fires;
- disruption to production operations;
- natural disasters;
- adverse weather conditions;
- equipment break-downs and other mechanical or system failures;
- improper installation or operation of equipment;
- transportation accidents or disruption of deliveries of fuel, equipment and other supplies; and
- community opposition activities.
- Strikes and industrial action.

If any of these events were to occur, they could result in environmental damage, injury to persons and loss of life and a failure to produce commodities in commercial quantities. They could also result in significant delays to exploration or potential mining programmes, a partial or total shutdown of operations, significant damage to the Company's equipment and equipment owned by third parties and personal injury or wrongful death claims being brought against the Company. These events could also put at risk some or all of the Company's licences which enable it to explore and develop and could result in the Company incurring significant civil liability claims, significant fines or penalties, as well as criminal and potentially being enforced against the Company and/or its officers and Directors.

## **Estimates of mineral reserves and resources**

The estimating of mineral reserves and mineral resources is a subjective process and the estimates of mineral reserves and resources for projects are, to a large extent, based on the interpretation of geological data obtained from drill holes and other sampling techniques and feasibility studies which derive estimates of costs based upon anticipated tonnage and grades of ores to be mined and processed, the configuration of the ore body, expected recovery rates from the ore, estimated operating costs, anticipated climatic conditions and other factors.

There is significant uncertainty in any reserve or resource estimate and the actual deposits encountered and the economic viability of developing or mining a deposit may differ materially from the Company's estimates. The exploration of mineral rights is speculative in nature and is frequently unsuccessful.

Estimated mineral reserves or mineral resources may have to be recalculated based on changes in forecast metals prices, further exploration or development activity or actual production experience. This could have a material adverse effect on estimates of the volume or grade of mineralisation, estimated recovery rates or other important factors that influence reserve or resource estimates.

Market price fluctuations for base and precious metals, increased production costs or reduced recovery rates, or other factors may render any mineral reserves of the Company uneconomical or unprofitable to develop at a particular site or sites.

In addition, resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should the Company encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, resource estimates may have to be adjusted and development, exploration and mining plans may have to be altered in a way which could adversely affect the Company's operations.

## **Operating risks**

The activities of the Company are subject to all of the hazards and risks normally incidental to exploring and developing natural resource projects.

These risks and uncertainties include, but are not limited to, environmental hazards, industrial accidents, labour disputes, encountering unusual or unexpected geological formations or other geological or grade problems, unanticipated changes in metallurgical characteristics and mineral recovery, encountering unanticipated ground or water conditions, cave-ins, pit wall failures, flooding, rock bursts, periodic interruptions due to inclement or hazardous weather conditions and other acts of God or unfavourable operating conditions and losses.

There is also a risk that Covid 19 or other infections could materially affect the workforce or the operations of the licences.

Should any of these risks and hazards affect the Company's exploration, development or mining activities at the any of the licences it may cause the cost of production to increase to a point where it would no longer be economic to produce mineral resources from the Company's investments, require the Company to write-down the carrying value of one or more investments, cause delays or a stoppage of exploration or eventual mining and processing, result in the destruction of mineral properties or processing facilities, cause death or personal injury and related legal liability; any and all of which may have a material adverse effect on the Company.

### **Dependence on key personnel and third-party contractors risks**

The Company's short to medium term strategic objectives are to locate economically viable traces of mineral resources, which can be explored and potentially mined for profit.

The future success of the Company is substantially dependent on the continued services and continuing contributions of its Directors. The loss of the services of any of its Directors or other key employees could have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

Furthermore, the activities in-country including the exploration programmes established over the Projects require the assistance of third-party contractors and experts and for them to be able to visit and work at the Company's Projects. Whilst the Directors believe from their experience that such parties are readily available, this may not always be the case, in which case, such activities could be significantly curtailed. The effects of the COVID-19 pandemic including the associated national and international travel restrictions remain uncertain and may have an impact on the ability of such third-party contractors and experts to visit and work at the Company's Projects and currently restrict the ability of the Company's directors and UK-based advisors to visit the Company's Projects.

It is not always possible to fully insure against such risks as a result of high premiums or other reasons (including those in respect of past mining activities for which the Company was not responsible). Should such liabilities arise, they could reduce or eliminate any future profitability, result in increasing costs or the loss of its assets and a decline in the value of the Ordinary Shares.

### **Profitability and capital requirements risks**

Natural resource project appraisal and exploration activities are capital intensive and inherently uncertain in their outcome. The Company's future natural resource appraisals and exploration projects may involve unprofitable efforts, either from areas of exploration which ultimately prove not to contain natural resources, or from areas in which a natural resource discovery is made but is not economically recoverable at current or near future market prices when including the costs of development, operation and other costs. In addition, environmental damage could greatly increase the cost of operations, and various operating conditions may adversely and materially affect the levels of production. These conditions include delays in obtaining governmental approvals or consents, delays due to extreme weather conditions, insufficient storage or transportation capacity or adverse geological conditions.

### **Strategy risks**

The Company's short to medium term strategic objectives are to enhance the value of their mineral resource Projects through exploration and technical studies conducted by the Company or through joint venture or other arrangements with a view to establishing these Projects can be economically mined for profit. The Company's ability to do this could be adversely affected by the preceding risks including but not limited to

the operating risks, profitability and capital requirements risks, exploration, development and production risks and the ability of the Company to identify and acquire additional exploration projects at prices which allow it to execute this strategy.

### **PART C: RISK FACTORS RELATING TO THE ORDINARY SHARES**

Although the Company will receive the Net Placing Proceeds, the Directors anticipate that the Company may issue a substantial number of additional Ordinary Shares or incur substantial indebtedness to further develop and explore the licences.

Any issue of Ordinary Shares, or possible future issue of convertible debt securities may:

- significantly dilute the value of the Ordinary Shares held by existing Shareholders;
- cause a change of control (“**Change of Control**”) if a substantial number of Ordinary Shares are issued, which may; *inter alia*:
  - result in the resignation or removal of one or more of the Directors; in certain circumstances, have the effect of delaying or preventing a Change of Control;
  - subordinate the rights of holders of Ordinary Shares if preferred shares are issued with rights senior to those of Ordinary Shares; or
  - adversely affect the market prices of the Company’s Ordinary Shares.

If Ordinary Shares, convertible debt securities are issued as consideration for an acquisition or to raise further capital, existing Shareholders will have no pre-emptive rights with regard to the securities that are issued.

The issue of such Ordinary Shares, or convertible debt securities is likely to materially dilute the value of the Ordinary Shares held by existing Shareholders.

If the Company were to incur substantial indebtedness in relation to an acquisition or as a method of raising additional capital, this could result in:

- default and foreclosure on the Company’s assets, if its cash flow from operations were insufficient to pay its debt obligations as they become due;
- acceleration of its obligation to repay indebtedness, even if it has made all payments when due, if it breaches, without a waiver, covenants that require the maintenance of financial ratios or reserves or impose operating restrictions;
- a demand for immediate payment of all principal and accrued interest, if any, if the indebtedness is payable on demand; or
- an inability to obtain additional financing, if any indebtedness incurred contains covenants restricting its ability to incur additional indebtedness.

The occurrence of any or a combination of these factors could decrease an investor’s ownership interests in the Company or have a material adverse effect on its financial condition and results of operations.

#### **Illiquidity could result in Investors not being able to realise returns on their investment in Ordinary Shares within a period that they would consider to be reasonable.**

Investments in the Ordinary Shares may be relatively illiquid. There may be a limited number of Shareholders and this factor, together with the number of Ordinary Shares to be issued pursuant to the Placing, may contribute both to infrequent trading in the Ordinary Shares on the London Stock Exchange and to volatile Ordinary Share price movements. Investors should not expect that they will necessarily be able to realise their investment in Ordinary Shares within a period that they would regard as reasonable.

Accordingly, the Ordinary Shares may not be suitable for short-term investment. Admission should not be taken as implying that there will be an active trading market for the Ordinary Shares. Even if an active trading market develops, the market price for the Ordinary Shares may fall below the Placing Price.

**The FCA may cancel the Company's listing if the percentage of shares in public hands falls below 25 per cent.**

Companies with Standard Listing must have at least 25 per cent. of the shares of any listed class in public hands at all times and the FCA must be notified as soon as possible if these holdings fall below that level, which may result in the shares of a company being delisted if the FCA considers there to be insufficient liquidity. The FCA may consider allowing a reasonable time to restore the percentage and/or may modify this requirement to accept a percentage lower than 25 per cent. if it considers that there is sufficient liquidity and the market will operate properly with such lower percentage. However, no such assurance can be given and the FCA may seek to cancel the Company's listing if there is no prospect of such percentage (or such lower percentage as the FCA may permit) being restored within a reasonable time.

**The proposed Standard Listing of the Ordinary Shares will afford investors a lower level of regulatory protection than a Premium Listing**

Application will be made for the Ordinary Shares to be readmitted to a Standard Listing on the Official List. A Standard Listing will afford investors in the Company a lower level of regulatory protection than that afforded to investors in a company with a Premium Listing, which is subject to additional obligations under the Listing Rules. A Standard Listing will not permit the Company to gain a FTSE indexation, which may have an adverse effect on the valuation of the Ordinary Shares.

While the Company has a Standard Listing, it is not required to comply with the provisions of, *inter alia*:

- Chapter 8 of the Listing Rules regarding the appointment of a sponsor to guide the Company in understanding and meeting its responsibilities under the Listing Rules in connection with certain matters.
- Chapter 9 of the Listing Rules relating to the ongoing obligations for companies admitted to the Premium List and therefore does not apply to the Company;
- Chapter 10 of the Listing Rules relating to significant transactions. It should be noted therefore that an acquisition will not require Shareholder consent, even if Ordinary Shares are being issued as consideration for such acquisition;
- Chapter 11 of the Listing Rules regarding related party transactions. Nevertheless, the Company will not enter into any transaction which would constitute a 'related party transaction' as defined in Chapter 11 of the Listing Rules without the specific prior approval of a majority of the Directors;
- Chapter 12 of the Listing Rules regarding purchases by the Company of its Ordinary Shares. In particular, the Company has not adopted a policy consistent with the provisions of Listing Rules 12.4.1 and 12.4.2; and
- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to Shareholders.

It should be noted that the FCA will not have the authority to (and will not) monitor the Company's compliance with any of the Listing Rules which the Company has indicated herein that it intends to comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company so to comply.

**Dividend payments on the Ordinary Shares are not guaranteed and the Company does not intend to pay dividends until it is generating significant revenue from its operating subsidiaries**

To the extent the Company intends to pay dividends on the Ordinary Shares, it will pay such dividends at such times (if any) and in such amounts (if any) as the Board determines appropriate and in accordance with applicable law, but expects to be principally reliant upon dividends received on shares held by it in any operating subsidiaries in order to do so. Payments of such dividends will be dependent on the availability of any dividends or other distributions from such subsidiaries. The Company can therefore give no assurance that it will be able to pay dividends going forward or as to the amount of such dividends, if any.

**Forward-looking statements**

This document includes statements that are, or may be deemed to be, 'forward-looking statements'. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms 'targets', 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will', 'should'

or, in each case, their negative or other variations or comparable terminology. They appear in a number of places throughout the document and include statements regarding the intentions, beliefs or current expectations of the Company and the Board concerning, *inter alia*: (i) the Company's objective, acquisition and financing strategies, results of operations, financial condition, capital resources, prospects, capital appreciation of the Ordinary Shares and dividends; and (ii) future deal flow and implementation of active management strategies, including with regard to acquisitions. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company's actual performance, results of operations, financial condition, distributions to Shareholders and the development of its financing strategies may differ materially from the forward-looking statements contained in this document. In addition, even if the Company's actual performance, results of operations, financial condition, distributions to Shareholders and the development of its financing strategies are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods.

Prospective investors should carefully review *Part II – Risk Factors* of this document for a discussion of additional factors that could cause the Company's actual results to differ materially, before making an investment decision. For the avoidance of doubt, nothing appearing under the heading "Forward-looking statements" constitutes a qualification of the working capital statement set out in paragraph 7 of *Part XVI – Additional Information* of this document.

Forward looking statements contained in this document apply only as at the date of this document. Subject to any obligations under the Listing Rules, the Market Abuse Regulation (EU 596/2014) (the "**Market Abuse Regulation**"), the Disclosure Guidance and Transparency Rules and the UK Prospectus Regulation, the Company undertakes no obligation publicly to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

## **PART III**

### **IMPORTANT INFORMATION**

The distribution of this document and the Placing may be restricted by law in certain jurisdictions and therefore persons into whose possession this document comes should inform themselves about and observe any restrictions, including those set out below. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

#### **General**

No action has been or will be taken in any other jurisdiction that would permit a public offering of the Ordinary Shares, or possession or distribution of this prospectus or any other offering material in any other country or jurisdiction where action for that purpose is required. Accordingly, the Ordinary Shares may not be offered or sold, directly or indirectly, and neither this prospectus nor any other offering material or advertisement in connection with the Ordinary Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This prospectus does not constitute an offer to subscribe for any of the Ordinary Shares offered hereby to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

This prospectus has been approved by the FCA as a prospectus which may be used to offer securities to the public for the purposes of section 85 of FSMA, and of the UK Prospectus Regulation. No arrangement has however been made with the competent authority in any other member states of the EEA ("EEA Member States") (or any other jurisdiction) for the use of this prospectus as an approved prospectus in such jurisdiction and accordingly no public offer is to be made in such jurisdiction. Issue or circulation of this prospectus may be prohibited in certain Jurisdictions and in countries other than those in relation to which notices are given below.

#### **Withdrawal rights**

In the event that the Company is required to publish any supplementary prospectus, applicants who have applied to subscribe for or purchase Placing Shares in the Placing will have at least two business days (i.e., any day (other than a Saturday or Sunday) or an English bank or public holiday (each, a "Business Day")) following the publication of the supplementary prospectus within which to withdraw their offer to acquire Placing Shares in the Placing in its entirety. If the application is not withdrawn within the stipulated period, any offer to apply for Placing Shares in the Placing will remain valid and binding.

Details of how to withdraw an application will be made available if a supplementary prospectus is published. Any supplementary prospectus will be published in accordance with the UK Prospectus Regulation (and notification thereof will be made to a Regulatory Information Service approved by the FCA) but will not be distributed to investors individually. Any such supplementary prospectus will be published in printed form and available free of charge at the Company's registered office at 34 North Quay, Douglas, Isle of Man, IM1 4LB and (subject to certain restrictions) on the Company's website at [www.africanpioneerplc.com](http://www.africanpioneerplc.com) until 14 days after Admission.

#### **For the attention of all investors**

In deciding whether or not to invest in Ordinary Shares, prospective placees should rely only on the information contained in this prospectus. No person has been authorised to give any information or make any representations other than as contained in this prospectus and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Directors or Beaumont Cornish. Without prejudice to the Company's obligations under the FSMA, the UK Prospectus Regulation, the Listing Rules and the Disclosure Guidance and Transparency Rules, neither the delivery or this prospectus, nor any subscription made under this prospectus shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this prospectus or that the information in this prospectus is correct as at any time after its date.

In making an investment decision, prospective investors must rely on their own examination of the Company, this prospectus and the terms of the Placing, including the merits and risks involved. The contents of this prospectus are not to be construed as advice relating to legal, financial, taxation, accounting, regulatory, investment or any other matter.

Prospective investors must rely upon their own representatives, including their own legal and financial advisers and accountants, as to legal, tax, financial, investment or any other related matters concerning the Company and an investment therein.

An investment in the Company should be regarded as a long-term investment. There can be no assurance that the Company's objectives and acquisition, financing and business strategies will be achieved.

It should be remembered that the price of the Ordinary Shares and any income from such Ordinary Shares can go down as well as up.

This prospectus should be read in its entirety before making any investment in the Ordinary Shares. All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Company's articles of association, which prospective investors should review.

### **European Economic Area**

Following Brexit, an offer to the public of the Ordinary Shares outside the UK in EEA jurisdictions may only be made subject to approval by another EEA competent regulator in accordance with the Prospectus Regulation. As there are no plans to seek such approval, an offer to the public in any EEA Member State of any Ordinary Shares may only be made at any time under the following exemptions under the Prospectus Regulation, if they have been implemented in that EEA Member State:

- (a) to any legal entity which is a Qualified Investor, within the meaning of Article 2l of the Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than Qualified Investors, within the meaning of Article 2(e) of the Prospectus Regulation) in such EEA Member State subject to obtaining prior consent of the Company for any such offer; or
- (c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Ordinary Shares shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Regulation and each person who initially acquires Ordinary Shares or to whom any offer is made will be deemed to have represented, warranted and agreed with Beaumont Cornish and the Company that it is a "**Qualified Investor**" within the meaning of Article 2(e) of the Prospectus Regulation.

For the purposes of this provision, the expression an 'offer to the public' in relation to any offer of Ordinary Shares in any EEA Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Ordinary Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Ordinary Shares and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

This prospectus may not be used for, or in connection with, and does not constitute, any offer of Ordinary Shares or an invitation to purchase or subscribe for any Ordinary Shares in any EEA Member State in which such offer or invitation would be unlawful.

The distribution of this prospectus in other jurisdictions may be restricted by law and therefore persons into whose possession this prospectus comes should inform themselves about and observe any such restrictions.

### **United Kingdom**

This document comprises a prospectus relating to the Company prepared in accordance with the UK Prospectus Regulation and approved by the FCA under section 87A of FSMA. This document has been filed with the FCA and made available to the public in accordance with UK Prospectus Regulation.

This document is being distributed only to and is directed at persons who (if they are in the EEA) will fall within one of the categories of persons set out above in the 'Notices to Investors'. In addition, this document is being distributed only to and is directed at persons in the UK who are: (i) persons having professional experience in matters relating to investments falling within the definition of 'investment professionals' in Article 19(5) of the Financial Promotions Order; or (ii) persons who are high net worth bodies corporate, unincorporated associations and partnerships and the trustees of high value trusts, as described in Article 49(2)(a)-(d) of the Financial Promotions Order; or (iii) persons to whom it may otherwise be lawful to distribute.

## **United States**

The Ordinary Shares have not been and will not be registered under the US Securities Act, or the securities laws of any state or other jurisdiction of the United States. Subject to certain exceptions, the Ordinary Shares may not be, offered, sold, resold, transferred or distributed, directly or indirectly, within, into or in the United States or to or for the account or benefit of persons in the United States.

The Ordinary Shares may not be taken up, offered, sold, resold, transferred or distributed, directly or indirectly within, into or in the United States except pursuant to an exemption from, or in a transaction that is not subject to, the registration requirements of the US Securities Act. There will be no public offer in the United States.

The Company has not been and will not be registered under the US Investment Company Act pursuant to the exemption provided by Section 3(c)(7) thereof, and Investors will not be entitled to the benefits of the US Investment Company Act.

The Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, any State securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed comment upon or endorsed the merits of the Placing or adequacy of this prospectus. Any representations to the contrary is a criminal offence in the United States.

## **Canada**

The Ordinary Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act of 1990 (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Ordinary Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this document (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Broker is not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with the Placing.

## **Australia**

This document does not constitute a prospectus or other disclosure document under the Corporations Act 2001 (Cth) ("**Australian Corporations Act**") and does not purport to include the information required of a disclosure document under the Australian Corporations Act. This document has not been, and will not be, lodged with the Australian Securities and Investments Commission (whether as a disclosure document under the Australian Corporations Act or otherwise). Any offer in Australia of the Ordinary Shares under this document or otherwise may only be made to persons who are "sophisticated investors" (within the meaning of section 708(8) of the Australian Corporations Act), to "professional investors" (within the meaning of

section 708(11) of the Australian Corporations Act) or otherwise pursuant to one or more exemptions under section 708 of the Australian Corporations Act so that it is lawful to offer the Ordinary Shares in Australia without disclosure to investors under Part 6D.2 of the Australian Corporations Act.

Any offer for on-sale of the Ordinary Shares that is received in Australia within 12 months after their issue by the Company is likely to need prospectus disclosure to investors under Part 6D.2 of the Australian Corporations Act, unless such offer for on-sale in Australia is conducted in reliance on a prospectus disclosure exemption under section 708 of the Australian Corporations Act or otherwise. Any persons acquiring Ordinary Shares should observe such Australian on-sale restrictions.

The Company is not licensed in Australia to provide financial product advice in relation to the Ordinary Shares. Any advice contained in this document is general advice only. This document has been prepared without taking account of any investor's objectives, financial situation or needs, and before making an investment decision on the basis of this document, investors should consider the appropriateness of the information in this document, having regard to their own objectives, financial situation and needs. No cooling off period applies to an acquisition of the Ordinary Shares.

## **Japan**

The Ordinary Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended (the "**FIEA**")). Neither the Ordinary Shares nor any interest therein may be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or entity organised under the laws of Japan), or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

## **South Africa**

This document will not be registered as a prospectus in terms of the Companies Act 1973 in South Africa and as such, any offer of Ordinary Shares in South Africa may only be made if it shall not be capable of being construed as an offer to the public as envisaged by section 144 of such Act. Furthermore, any offer or sale of the Ordinary Shares shall be subject to compliance with South African exchange control regulations.

## **General**

No action has been or will be taken in any jurisdiction that would permit a public offering of the Ordinary Shares, or possession or distribution of this document or any other offering material, in any country or jurisdiction where action for that purpose is required. Accordingly, the Ordinary Shares may not be offered or sold, directly or indirectly, and neither this document nor any other offering material or advertisement in connection with the Ordinary Shares may be distributed or published in or from any Restricted Jurisdiction.

Persons into whose possession this document comes should inform themselves about and observe any restrictions on the distribution of this document and the offer of Ordinary Shares, including those in the paragraphs above. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This document does not constitute an offer to subscribe for or purchase any of the Ordinary Shares offered hereby to any person in any Restricted Jurisdiction.

## **Information to distributors**

Solely for the purposes of the product governance requirements contained within: (a) MiFID II; (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Ordinary Shares have been subject to a product approval process, which has determined that such Ordinary Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional

clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “**Target Market Assessment**”). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Broker will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Ordinary Shares.

The Broker is responsible for undertaking its own target market assessment in respect of the Ordinary Shares and determining appropriate distribution channels.

### **Presentation of reserves and resources**

Unless otherwise stated, statements in this document relating to the Group’s mineral reserves have been estimated in conformity with JORC. Mineral Resources are not Mineral Reserves and do not have demonstrated economic liability. All references to “reserves” are to proved and probable reserves.

The accuracy of reserves estimates and associated economic analysis is, in part, a function of the quality and quantity of available data and of engineering and geological interpretation and judgment. This document should be accepted with the understanding that reserves, resources and financial performance subsequent to the date of the estimates may necessitate revision. These revisions may be material. Unless otherwise stated, all information about mineral reserves and resources, forward-looking production estimates and other geological information has been extracted without material adjustment from the Competent Person’s Report in Part XVIII – Competent Persons’ Reports of this document.

### **Rounding**

Percentages in tables have been rounded and accordingly may not add up to 100 per cent. Certain financial data have also been rounded. As a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetic totals of such data.

### **Data protection**

The Company may delegate certain administrative functions to third parties and will require such third parties to comply with data protection and regulatory requirements of any jurisdiction in which data processing occurs, including but not limited to the General Data Protection Regulation 2016 and other applicable data protection legislation. Such information will be held and processed by the Company (or any third party, functionary or agent appointed by the Company) for the following purposes:

- (a) verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
- (b) carrying out the business of the Company and the administering of interests in the Company;
- (c) meeting the legal, regulatory, reporting and/or financial obligations of the Company in the UK or elsewhere; and
- (d) disclosing personal data to other functionaries of, or advisers to, the Company to operate and/or administer the Company.

Where appropriate it may be necessary for the Company (or any third party, functionary or agent appointed by the Company) to:

- (a) disclose personal data to third party service providers, agents or functionaries appointed by the Company to provide services to prospective investors; and
- (b) transfer personal data outside of the EEA to countries or territories which do not offer the same level of protection for the rights and freedoms of prospective investors as the UK.

If the Company (or any third party, functionary or agent appointed by the Company) discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data it will use reasonable endeavours to ensure that any third party, agent or functionary to whom the relevant personal data is disclosed or transferred is contractually bound to provide an adequate level of protection in respect of such personal data.

In providing such personal data, investors will be deemed to have agreed to the processing of such personal data in the manner described above. Prospective investors are responsible for informing any third party individual to whom the personal data relates of the disclosure and use of such data in accordance with these provisions.

### **Presentation of financial information**

Prospective investors should consult their own professional advisers to gain an understanding of the financial information contained in this document which is set out at *Part X –Historical Financial Information on the Group* of this document.

The financial and volume information in this document, including in a number of tables, has been rounded to the nearest whole number or the nearest decimal place. The sum of the numbers in a column in a table may not conform exactly to the total figure given for that column. In addition, certain percentages presented in the tables in this document reflect calculations based on the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

### **Pro forma wording**

In this document, any reference to “pro forma” financial information is to information which has been extracted without material adjustment from the unaudited pro forma financial information contained in *Part XI – Unaudited Pro Forma Financial Information on the Group* of this document. The unaudited pro forma statement of net assets of the Group have been prepared for illustrative purposes only in accordance with Annex 20 of the UK Prospectus Regulation and should be read in conjunction with the notes set out in *Part XI – Unaudited Pro Forma Financial Information on the Group* of this document. By its nature, the pro forma financial information addresses a hypothetical situation and, therefore, does not represent the Group’s actual financial position nor is it indicative of the results that may or may not be expected to be achieved in the future.

### **Market data**

Where information contained in this document has been sourced from a third party, the Company and the Directors confirm that such information has been accurately reproduced and, so far as they are aware and have been able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Company takes responsibility for compiling and extracting, but has not independently verified, market data provided by third parties or industry or general publications and takes no further responsibility for such data. Reference materials include various historical and recent publications.

### **Presentation of technical and scientific data**

Unless otherwise stated, all scientific and technical information has been extracted from the CPR set out at *Part XX* of this document.

## **CREST**

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the holding of Ordinary Shares under the CREST system. The Ordinary Shares are admitted to CREST and accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if any investor so wishes.

CREST is a voluntary system and Shareholders who wish to receive and retain certificates for their Ordinary Shares will be able to do so. Shareholders may elect to receive Ordinary Shares in uncertificated form if such Shareholder is a system-member (as defined in the CREST Regulations) in relation to CREST.

## **Transferability**

The Ordinary Shares are freely transferable and tradable and there are no restrictions on transfer.

## **International Financial Reporting Standards**

As required by the Isle of Man Companies Act and Article 4 of the European Union (“**EU**”) International Accounting Standards Regulation, the financial statements of the Company are prepared in accordance with International Financial Reporting Standards as adopted by the EU (“**IFRS**”) issued by the International Accounting Standards Board (“**IASB**”) and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB as adopted by the EU.

## **Incorporation of information by reference**

The contents of the Company’s website ([www.africanpioneerplc.com](http://www.africanpioneerplc.com)), unless specifically incorporated by reference, any website mentioned in this document or any website directly or indirectly linked to these websites have not been verified and do not form part of this document, and prospective investors should not rely on them.

## **Currency**

Unless otherwise indicated, all references in this document to:

- “UK Pounds Sterling”, “Pounds Sterling”, “pound”, “pence”, “GBP”, “£” or “p” is to the lawful currency of the United Kingdom;
- “US Dollars”, “US\$”, “USD” or “cents” is to the lawful currency of the United States;
- “AU Dollars”, “A\$”, “AUD” or AU\$” is to the lawful currency of Australia;
- “ZMK” or “Zambian Kwacha” is to the lawful currency of Zambia;
- “BWP” or “Botswana Pula” is to the lawful currency of Botswana; and
- “NAD” or “Namibian Dollar” is to the lawful currency of Namibia.

The exchange rates used in this document for the conversion from other currencies into sterling are as follows:

ZMK/GBP	0.036
BWP/GBP	0.068
AUD/GBP	0.55
USD/GBP	0.75
ND/GBP	0.05

## PART IV

### EXPECTED TIMETABLE

Publication of this document	26 May 2021
Latest time and date for placing commitments under the Placing	4.30 p.m. on 21 May 2021
Admission and commencement of dealings in Ordinary Shares	08.00 a.m. on 1 June 2021
CREST members' accounts credited in respect of New Ordinary Shares	1 June 2021
Share certificates despatched in respect of New Ordinary Shares	15 June 2021

All references to time in this document are to London time, unless otherwise stated. Any changes to the expected timetable will be notified by the Company through an RIS.

### ADMISSION STATISTICS

Number of Existing Ordinary Shares in issue as at the date of this Document	11,729,826
Total number of Consideration Shares to be issued on Admission	84,642,857
Total number of Loan Conversion Shares to be issued on Admission	39,847,503
Total number of Placing Shares to be issued on Admission	50,000,000
Total number of Fee Shares to be issued on Admission	3,239,364
Enlarged Issued Share Capital on Admission <sup>(1)</sup>	189,459,550
Placing Price per New Ordinary Share	3.5 pence
Total number of warrants in issue on Admission	37,722,375
Estimated Net Placing Proceeds receivable by the Company	£1,448,923
Market capitalisation at the Placing Price	£6,631,084
New Ordinary Shares as a percentage of Enlarged Issued Share Capital	93.81%

(1) The market capitalisation of the Company at any given time will depend on the market price of the Ordinary Shares at that time.

There can be no assurance that the market price of an Ordinary Share will equal or exceed the Placing Price.

### DEALING CODES

The dealing codes for the Ordinary Shares will be as follows:

ISIN	IM00B8C0HK22
SEDOL code	B8C0HK2
TIDM	AFP
LEI	213800QQF8O18CMJPW43

## PART V

### DIRECTORS, AGENTS AND ADVISERS

Directors	Colin Bird, <i>Executive Chairman</i> Raju Samtani, <i>Finance Director</i> Christian Cordier, <i>Business Development Director</i> Kjeld Thygesen, <i>Independent Non-executive Director</i> James Nicholas Cunningham-Davis, <i>Non-executive Director</i>
Company Secretary	Cavendish Secretaries Limited 34 North Quay Douglas Isle of Man IM1 4LB
Registered Office of the Company	34 North Quay Douglas Isle of Man IM1 4LB
Financial Adviser	Beaumont Cornish Limited Building 3 566 Chiswick High Road London W4 5YA
Broker	Novum Securities Limited 2nd Floor Lansdowne House 57 Berkeley Square London W1J 6ER
Reporting Accountants to the Company	Shipleys LLP 10 Orange Street Haymarket London WC2H 7DQ
Auditors	Greystone LLC 18 Athol St, Douglas, Isle of Man IM1 1JA,
Legal advisers to the Company as to English law	Collyer Bristow LLP 140 Brompton Road Knightsbridge, London SW3 1HY
Legal advisers to the Company as to Isle of Man law	Simcocks Advocates Limited Ridgeway House Ridgeway Street Douglas, IM99 1PY, Isle of Man

Registrar	Computershare Investor Services (Jersey) Limited 13 Castle Street St Helier Jersey JE1 1ES
Competent Person	The MSA Group (Pty) Ltd Henley House, Greenacres Office Park Cnr Victory and Rustenburg Roads Victory Park, 2195 PO Box 81356 Parkhurst, 2120 South Africa
Company website	<a href="http://www.africanpioneerplc.com">www.africanpioneerplc.com</a>

## PART VI

### INFORMATION ON THE GROUP AND INDUSTRY OVERVIEW

#### 1. Background and History

African Pioneer Plc was incorporated on 20 July 2012 in the Isle of Man as a Special Purpose Vehicle ("SPV") to identify opportunities in the mining sector in Sub-Saharan Africa, with a focus on base metals including Copper, Nickel, Lead and Zinc. The company was incorporated as a subsidiary of Tiger Royalties and Investments Plc as part of its proactive policy to acquire mineral exploration assets, raise equity funding and package such assets either in newly incorporated SPV's or in existing AIM quoted companies which had lost direction. The management team believed that there existed a number of investment opportunities in the Sub-Saharan Africa mining sector which could enable the Company to achieve its objective of delivering substantial capital growth for shareholders through the creation and progression of a significant company in that sector. The Company raised a total of £403,000 (before expenses) and the company's Ordinary Shares were admitted to trading on ISDX markets. The Company looked at several opportunities post its admission on ISDX markets but was not able to conclude a transaction. There followed a few tough years in the natural resource markets and APP resolved to de-list with a view to preserving its cash and assets. APP has now identified suitable assets in the mining sector based in Zambia, Namibia and Botswana and is looking to take advantage of healthier resource markets to acquire these assets and raise sufficient funds for a Standard Listing.

#### 2. Corporate Overview, Structure, Strategy and Projects

##### **Corporate Overview**

The Directors of APP have identified suitable assets in the mining sector based in Zambia, Namibia and Botswana and entered into share purchase agreements, further details of which are set out below and in Part XVI of this document, to acquire the following three companies:

- 1) **Zamcu Exploration Pty Ltd ("Zamcu")**, which via its subsidiaries holds 70 per cent. interest in the two Namibia Exclusive Prospecting Licenses ("EPLs") located within the Matchless amphibolite Belt of central Namibia ("Namibian Projects");
- 2) **African Pioneer Zambia Limited ("APZ")**, which holds 100 per cent. interest in the Zambian Prospecting Licenses (PLs) located in two areas namely the Central Africa Copperbelt (Copperbelt), which comprises four PLs and the Zambezi area which comprises one PL ("Zambian Projects"); and
- 3) **Resource Capital Partners Pty Ltd ("RCP")**, which holds 100 per cent. interest in the Botswana Prospecting Licenses ("PLs") located in two areas namely (1) the Kalahari Copperbelt (KC), which comprises six PLs and (2) the Limpopo Mobile Belt (Limpopo), which comprises two PLs ("Botswanan Projects") (together the "Projects") (the "Subsidiaries") (together the "Group").

Accordingly, as from Admission the Group will be engaged in development of the natural resources exploration projects in Sub-Saharan Africa, The Company's main focus at Admission will be on evaluating and advancing the Namibian and Zambian Projects as the Botswanan Projects are subject to the Conditional Botswana Licence Sale Agreement, further details of which are set out below and in paragraph 9.1.9 of Part XVI of this Document.

##### *Acquisition of Zamcu*

The Company entered into a share purchase agreement ("Zamcu SPA") on 29 October 2020 to acquire 100 per cent. of Zamcu, for a total consideration of £798,981 to be satisfied by a combination of cash and the issue on Admission of a total of 19,642,857 new Ordinary Shares including 10,000,000 new Ordinary Shares to Zamcu shareholders. The Zamcu SPA has been extended until 31 May 2021 by the addenda executed on 17<sup>th</sup> December 2020, 27<sup>th</sup> January 2021 and 31<sup>st</sup> March 2021 to allow for Admission later than originally expected. Completion of the agreement is conditional on, amongst other things, Zamcu shareholder approval (which has been obtained) and Admission. At that stage, Zamcu had entered into agreements to acquire 70 per cent. of Manmar Investments 136 and Manmar Investments 129 on the following terms:

- on 26 October 2020, Zamcu entered into a sale and purchase agreement for a 70 per cent. interest in Manmar Investments 129 (“129 SPA”) in return for Ordinary Shares with a value of A\$270,000 upon Admission and in addition a cash payment of A\$237,600, which has been paid to Wilhelm Shali (A\$180,000 on 29 January 2021 and A\$57,600 on 9 April 2021). Completion of the 129 SPA is conditional on, amongst other things, Manmar 129 shareholder approval (which has been obtained) and Admission. The 129 SPA was extended by addenda, dated 14<sup>th</sup> December 2020, and 27<sup>th</sup> January 2021 and 31<sup>st</sup> March 2021 to allow for Admission later than originally expected.
- on 26 October 2020, Zamcu entered into a sale and purchase agreement for a 70 per cent. interest in Manmar Investments 136 (“136 SPA”) in return for Ordinary Shares with a value of A\$30,000 upon Admission and in addition a cash payment of A\$26,400, which has been paid to Wilhelm Shali (A\$20,000 on 29 January 2021 and A\$6,400 on 9 April 2021). Completion of the 136 SPA is conditional on, amongst other things, Manmar 136 shareholder approval (which has been obtained) and Admission. The 136 SPA was extended by addenda, dated 14<sup>th</sup> December 2020, 27<sup>th</sup> January 2021 and 31<sup>st</sup> March 2021 to allow for Admission later than originally expected.

Accordingly, pursuant to the 129 SPA and 136 SPA a total of approximately 4,742,857 new Ordinary Shares (included in the total above) will be issued to Manmar 129 and Manmar 136 shareholders on Admission.

In addition, approximately 4,900,000 new Ordinary Shares (also included in the total above) will be issued on Admission to Avanti Resources Pty Ltd as trustee for the Marlow Super Fund pursuant to an introduction mandate agreement entered into between the Company and Zamcu Exploration Pty Ltd on 20 November 2020.

#### *Acquisition of APZ*

The Company entered into a share purchase agreement on 25 November 2020 to acquire 80 per cent. of African Pioneer Zambia Ltd (“APZ SPA”) for a consideration of £1,925,000 to be satisfied by the issue on Admission of 55,000,000 new Ordinary Shares. Completion of the APZ SPA is conditional on, amongst other things, APZ shareholder approval (which has been obtained) and Admission.

#### *Acquisition of RCP*

The Company entered into a share purchase agreement on 29 October 2020 to acquire 100 per cent. of RCP (“RCP SPA”), for a total consideration of £350,000 to be satisfied by the issue on Admission of 10,000,000 new Ordinary Shares to RCP shareholders. Completion of the RCP SPA is conditional on, amongst other things, RCP shareholder approval (which has been obtained) and Admission. The RCP SPA has been extended until 31 May 2021 by addenda executed on 17<sup>th</sup> December 2020, 27<sup>th</sup> January 2021 and 31<sup>st</sup> March 2021 to allow for Admission later than originally expected.

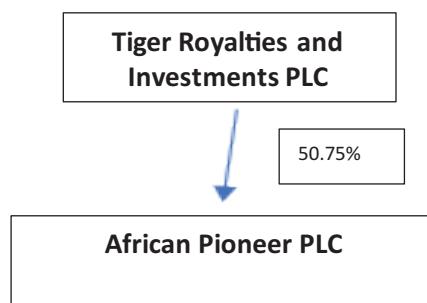
The Botswana Projects were acquired at an attractive purchase price of £350,000, as although unexplored they are located in a highly prospective area for copper projects. It was the Company’s intention to conduct an initial 18 month exploration work programme to assess the prospectivity of the Botswanan Projects and assess the best way of developing them. However, whilst working on the Admission the Company was approached by Sandfire Resources Limited, listed on the Australian Stock Exchange and capitalised at approx. A\$1 billion (“**Sandfire**”), who have a large established presence in the Kalahari Copperbelt, with a proposal to acquire the Botswanan Projects. The Company has taken up the opportunity for Sandfire to take over ownership and responsibility for the exploration stage of the Botswanan assets whilst allowing the Group to share in the potential upside should the exploration ultimately be successful in establishing a mineable reserve. Accordingly, on 12 March 2021 the Company entered into a conditional licence sale agreement with Sandfire (the “**Conditional Botswana Licence Sale Agreement**”) under which the Company guaranteed the sale to Sandfire following Admission of all the Botswanan Licences in return for a payment at completion of the Conditional Botswana Licence Sale Agreement of US\$1,000,000 with US\$500,000 in cash and US\$500,000 by the issue of 107,271 Sandfire Shares (which will not be subject to any trading restrictions). Sandfire has the in-country infrastructure and technical expertise and financial resources to accelerate the rate of expenditure on the Botswanan assets by agreeing to fund a minimum of US\$1 million of expenditure (compared to the Group’s 18 month budget of US\$176,000) and the proceeds from the sale to Sandfire will allow the Group to concentrate its increased financial resources and its management capabilities on its remaining two projects in Namibia and Zambia. In addition, as part of the relationship with Sandfire, they have agreed to come in as a cornerstone investor into the Company by entering into the Sandfire Convertible Loan Note Subscription Agreement.

Under the Conditional Botswana Licence Sale Agreement Sandfire will be committed to spend a minimum of US\$1M within 2 years of settlement (the “Exploration Period”) and if the US\$1M is not spent, any shortfall will be paid to APP. In addition, a one-off success payment to be paid to APP for the first ore reserve reported under JORC Code 2012 edition on the Included Licences which exceeds 200,000 tonnes of contained copper (the “First Ore Reserve”) in the range of US\$10 million to US\$80 million depending on the amount of contained copper in the First Ore Reserve (the “Success Payment”). The Conditional Botswana Licence Sale Agreement is conditional *inter alia* on ministerial consent for the transfer of the Botswana Licences by the Botswana Minister of the Ministry of Minerals, Energy and Water Resources (“Ministerial Consent”) and approval of the acquisition of the Botswana Licences by the Competition Authority of Botswana (or confirmation from such authority or from either party’s Botswana legal counsel that such approval is not required) (“Competition Approval”). Upon the conditions precedent of the Conditional Botswana Licence Sale Agreement being met the Botswana Licences will no longer form part of the African Pioneer Group. If the conditions precedent of the Conditional Botswana Licence Sale Agreement are not met by the long stop date of 30 September 2021 or such later date as agreed by the parties then the Botswana Licences will remain part of the enlarged African Pioneer group at Admission which is why the details of the Botswana Projects are included in this Document and the CPR.

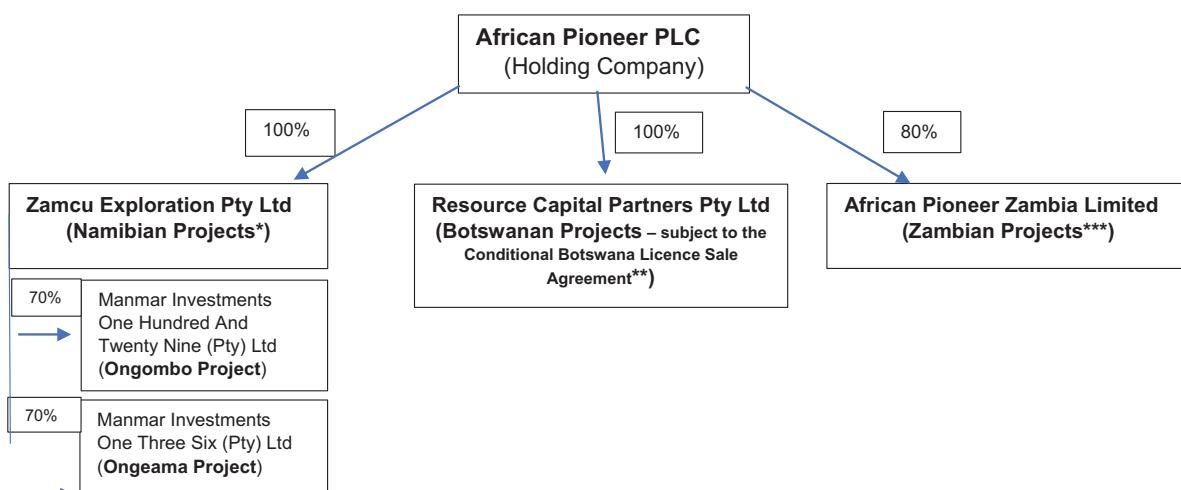
**Given the limited exploration conducted on the Botswanan Licences to date and the many years that it could take to establish an Ore Reserve, there can be no guarantee that any such Success Payment will be forthcoming.**

### **Structure**

As at the date of this Document African Pioneer has no subsidiaries but it is itself a 50.75 per cent. owned subsidiary of Tiger.



Following completion of the acquisitions as from Admission, APP will no longer be a subsidiary of Tiger (who will retain 4.65 per cent. interest in the Company) and it will be the holding company of its Group comprising three subsidiaries as set out in the diagram below:



\* Zamcu’s Ongombo and Ongeama Projects are located in Namibia and further details are set out below and in the CPR at Part XX of this document.

- \*\* RCP's projects are in Botswana and located in the Kalahari Copperbelt and the Limpopo Belt, and further details are set out below and in the CPR at Part XX of this document. The Botswanan Projects are subject to the Conditional Botswana Licence Sale Agreement further details of which are set out below and at para 9.1.9 of Part XVI of this document.
- \*\*\* APZ's projects are in Zambia and located in two areas namely the Central Africa Copperbelt and the Zambezi Belt, and further details are set out below and in the CPR at Part XX of this document.

### **Strategy**

The Company's short to medium term strategic objectives are to enhance the value of its mineral resource Projects through exploration and technical studies conducted by the Company or through joint venture or other arrangements (such as sale of the Botswanan Projects to Sandfire) with a view to establishing these Projects can be economically mined for profit. With a positive global outlook for both base and precious metals, the Directors believe that these Projects provide a base from which the Company will seek to add significant value through the application of structured and disciplined exploration.

The Company may in the future, if such opportunity arises, acquire other mineral resource projects whose value can similarly be enhanced. Further projects may be considered where assets in strategic commodities are either: (i) geologically prospective but undervalued; (ii) where technical knowledge and experience could be applied to add or unlock upside potential; (iii) where the assets may be synergistic to the current portfolio; or (iv) where project diversification will add strategic growth opportunities within an appropriate time frame. As described below, the Company's short-term objectives will focus on the delivery and development of the Projects.

The funds raised on Admission will provide the Group with sufficient money to undertake the exploration and assessment of the Company's licences in Namibia and Zambia and also in Botswana were the Conditional Botswana Licence Sale Agreement conditions not to be met before its long stop date of 30 September 2021 for at least 18 months. Details of these work programmes are set out at paragraph 6 of Part VIII of this document. As noted above, if the disposal of the Botswanan Projects to Sandfire proceeds, then the funds which would otherwise have been reserved for those projects will be available for the development of the Namibian and Zambian Projects and/or further acquisitions as and when any may be identified.

The Directors believe that the Projects have sufficient geological merit to justify the proposed work programmes and associated expenditure as supported by the Competent Person. It is logical and prudent, however, that those less prospective areas are progressively relinquished as the results of the 18 months' of work is interpreted.

## Projects

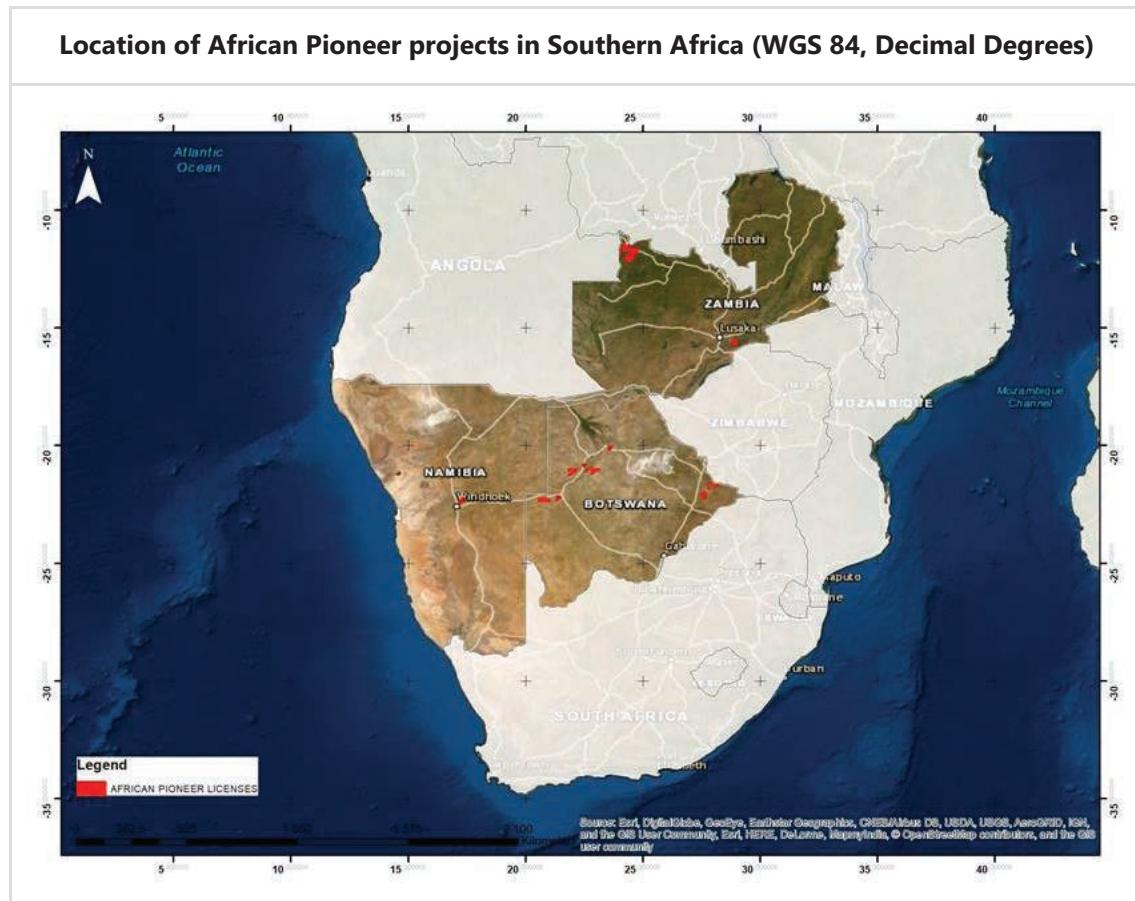


Table 1-1 below (which has been copied from the CPR) lists the licenses per country and provides details on License No. and Holder, expiry dates, mineral groups and land holding size (km<sup>2</sup>). It also shows APP's indirect interest in each licence.

*Table 1-1  
Tenure of the African Pioneer mineral licenses within the Republics of Namibia, Zambia and Botswana*

Licence No.	Licence Name	Licence Holder	Mineral Groups	Area (km <sup>2</sup> )	Expiry	APP % interest on Admission
<b>NAMIBIA</b>						
<b>Matchless Belt Projects</b>						
EPL 5772	Ongombo	Manmar Investments 129 Pty Ltd	Base and Rare Metals, Precious Metals	120.9	8-March-2023 (2 <sup>nd</sup> renewal)	70%
EPL 6011	Ongeama	Manmar Investments 136 Pty Ltd	Base and Rare Metals, Precious Metals	81.2	27-Oct-2021 (2 <sup>nd</sup> renewal)	70%
<b>ZAMBIA</b>						
<b>Central African Copperbelt Projects</b>						
27771 HQ-LEL	Luamata South	African Pioneer Zambia Ltd	Co, Cu, Au and Ni	902.0	4-Nov-2024	80%
27770 HQ-LEL	Samuteba East	African Pioneer Zambia Ltd	Co, Cu, Au, Fe, Pb, Limestone, Mn, Ni, Ag and Zn	779.0	4-Nov-2024	80%
27768 HQ-LEL	Samuteba West	African Pioneer Zambia Ltd	Co, Cu, Au, Ni and Ag	361.1	4-Nov-2024	80%
27767 HQ-LEL	Samuteba Central	African Pioneer Zambia Ltd	Co, Cu, Au, Ni and Ag	324.2	4-Nov-2024	80%

### Zambezi Belt Project

27769 HQ-LEL	Chumbwe	African Pioneer Zambia Ltd	Bi, Cu, Au, Pt	436.0	4-Nov-2024	80%
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### BOTSWANA: Subject to Conditional Botswana Licence Sale Agreement

#### Kalahari Copperbelt Projects

PL96/2020	Karakubis	Resource Capital Partners Pty Ltd	Metals	636.8	30-Sep-2023 (1 <sup>st</sup> renewal)	100%*
PL98/2020	Junction	Resource Capital Partners Pty Ltd	Metals	217.2	30-Sep-2023 (1 <sup>st</sup> renewal)	100%*
PL100/2020	Ghanzi	Resource Capital Partners Pty Ltd	Metals	395.0	30-Sep-2023 (1 <sup>st</sup> renewal)	100%*
PL101/2020	Kuke	Resource Capital Partners Pty Ltd	Metals	180.3	30-Sep-2023 (1 <sup>st</sup> renewal)	100%*
PL102/2020	Kalahari	Resource Capital Partners Pty Ltd	Metals	347.5	30-Sep-2023 (1 <sup>st</sup> renewal)	100%*
PL103/2020	Maun	Resource Capital Partners Pty Ltd	Metals	169.0	30-Sep-2023 (1 <sup>st</sup> renewal)	100%*

#### Limpopo Mobile Belt Projects

PL97/2020	Serule	Resource Capital Partners Pty Ltd	Metals	636.8	30-Sep-2023 (1 <sup>st</sup> renewal)	100%*
PL99/2020	Phikwe	Resource Capital Partners Pty Ltd	Metals	217.2	30-Sep-2023 (1 <sup>st</sup> renewal)	100%*

\* The Botswanan Licences will be 100% owned by APP via its wholly owned subsidiary, Resources Capital Partners Pty Ltd, on Admission. Following Admission, all the Botswanan Licences are intended to be sold by APP to Sandfire in accordance with the Conditional Botswana Licence Sale Agreement further details of which are set out at paragraph 9.1.9 of Part XVI of this document.

No current JORC 2012 compliant Mineral Resources exist for any of the Projects and no Mineral Reserve estimates have been completed for the Projects.

### Namibian Projects

#### Matchless Belt Projects

The two adjacent EPLs are located in central Namibia, 5 and 10 km respectively to the northeast of Windhoek, the capital of Namibia. Together, these comprise the Ongombo and Ongeama projects.

Both the Ongombo and Ongeama projects (EPLs 5772 and 6011) are geologically located within the Matchless Member of the Kuiseb Formation, a conspicuous assemblage of lenses of foliated amphibolites, chlorite-amphibolite schist, talc schist and metagabbro. This belt, up to 5 km wide in the Otjihase Mine (in care and maintenance) area, stretches 350 km east-northeastwards within the Southern Zone of the Damara Orogen from the Gorob – Hope area in the south, towards Steinhausen in the north. The belt hosts copper-gold mineralisation which has been in past production at two localities (Otjihase - and Matchless Mines owned by Weatherly International plc).

Both EPLs are accessed via the B6 road leading eastwards towards Hosea Kutako International Airport. EPL 6011 (Ongeama) is accessed via the D1527 road leading northwards towards the Weatherly International plc Otjihase Mine (now under administration), while the D2102 (branching from the D1510) district road provides access to EPL 5772 (Ongombo). The international airport is approximately 12 km east of the combined EPLs area. Labour will be available from the city of Windhoek. Potential tailings storage areas, waste disposal areas, heap leach pads and potential processing plant sites can only be supplied after an Environmental Impact Assessment has been completed. Windhoek should also be able to supply most exploration requirements and comply with all sustenance supplies.

### Zambian Projects

#### Central African Copperbelt Project

The APZ licences are located on the western edge of the fold-thrust belt of the Lufilian Arc. The Lufilian Arc is a Pan-African fold-and-thrust belt that extends over 800 km in an east-west direction, curving to the northeast. It originates in Luanshya (Zambia), extending through Kolwezi (Democratic Republic of the Congo) and terminates in south-eastern Angola. The Lufilian Arc comprises metasedimentary rocks of the Katanga

Supergroup, which hosts the Central African Copperbelt. The Central African Copperbelt is the largest and most prolific mineralized sediment- hosted copper province known on Earth. In Zambia, the Lufilian Arc unconformably overlies the basement, which consists of older metamorphosed gneisses, schists, migmatites, amphibolites and granitoids. The geology within the African Pioneer projects predominantly comprises supracrustal metasedimentary rocks of the Nguba and Kundulungu Groups. Although exact stratigraphic placement of these lithologies is difficult on site, mostly due to the structural complexity of the area and limited outcrop, the regional geological setting of the area points towards similarities with the Ivanhoe Mines Ltd Kamaa-Kakula deposits in the adjacent Democratic Republic of the Congo ("DRC").

### Zambezi Belt Project

The Zambezi licence located within the Zambezi Belt of southern Zambia, hosts a lower Katanga Supergroup succession which, although less studied than its northern counterpart, also hosts a number of Copperbelt-style occurrences. The Mwembeshi Shear Zone forms the northern boundary of the Zambezi Belt, separating it from the Lufilian Arc. The Mwembeshi Shear Zone, which comprises multiple strands over a width of kilometres, has been interpreted to continue as the Matchless Belt in the Damara Supergroup of Namibia.

### *Botswanan Projects: Subject to Conditional Botswana Licence Sale Agreement*

The Botswana Prospecting Licences ("PLs") are located in two areas namely:

1. **The Kalahari Copperbelt Projects** ("KC") – comprise six licenses (PLs 96, 98 and 100 to 103/2020) and are located in western Botswana near the towns of Ghanzi and Maun. The northeast-trending Meso- to Neoproterozoic belt, approximately 1,000 km long by up to 250 km wide, stretches discontinuously from western Namibia into northern Botswana along the northwestern edge of the Palaeoproterozoic Kalahari Craton. The belt contains copper-silver mineralisation which is generally stratabound and hosted in metasedimentary rocks that have been folded, faulted and metamorphosed to greenschist facies during the Damara Orogeny.
2. **The Limpopo Mobile Belt Project** ("Limpopo") – comprises two licenses (PLs 97 and 99/2020) and is located in eastern Botswana within 30 km of the town of Selebi Phikwe. The Selebi Phikwe regional area in eastern Botswana (comprising PLs 97 and 99/2020) is underlain by rocks of the Archaean basement which regionally forms part of the Azanian Craton, a fragment of Archaean continental crust comprising, from south to north, the Kaapvaal Craton, the Limpopo Belt and the Zimbabwe Craton. The Limpopo Project is set within the Motloutse Complex of eastern Botswana, a transitional boundary between the Zimbabwe Craton to the north and the Limpopo Mobile Belt to the south.

*As stated at paragraph 2 above, the Botswanan Projects are subject to the Conditional Botswana Licence Sale Agreement (summarised at paragraph 9.1.9 of Part XVI of this Document) under which the Company guaranteed the sale to Sandfire following Admission of the Botswanan Licences. If the conditions of the Conditional Botswana Licence Sale Agreement are met by its long stop date of 30 September 2021 or such later date agreed by the parties then the Company will no longer own the Botswana Projects owned by RCP.*

***Given the limited exploration conducted on the Botswanan Licences to date and the many years that it could take to establish an Ore Reserve, there can be no guarantee that any such Success Payment will be forthcoming.***

### 3. Market Overview

#### ***Overview of the copper market***

The Company's copper mission has been carefully chosen and reflects the Board's convictions on the supply/demand fundamentals for this commodity and base metals generally over the short, medium and longer-term future. There is consensus amongst forecasters is that demand for Copper will double between now and 2030.

The prognosis is that demand for copper which is largely driven by Electric Vehicles ("EV"), is predicted to exceed internal combustion engine car sales by 2038. Furthermore, additional demand is forecast because of increasing disposable income of individuals in emerging countries bringing in new buyers of every day electrical consumables to the market. The update of infrastructure in the US and other developed countries

post COVID-19 is forecast to further increase demand for copper. All the signs are in place for this demand to be real and possibly brought forward from 2030 because of the unprecedented debt burden created by the pandemic.

On the supply side, Latin American copper-producing countries are challenged by a lack of new projects and Chile, in particular, is facing social problems and operational challenges with older and deeper mines and as well as economic issues with lower grades in the case of recent discoveries. Adding to the supply problem is the fact that the average grade of copper currently being mined has dropped from 1.13 per cent. Cu to 0.62 per cent. Cu over the last 15 years. Consequently, the industry has brought additional mines to production to supply the same amount of Copper. Current forecasts suggest that supply requirements will be short of some 5.7 million tonnes or more by 2030, producing a serious imbalance between supply and demand fundamentals.

Major mining companies have reduced their exploration spending and have in some cases shut down entire exploration divisions, favouring acquisitions of new discoveries in order to reduce their overall risk perspective.

It is the Board's belief that the next 5 years will witness a demand for new Copper discoveries not previously experienced by the industry. The inevitable consequences of these levels of demand for Copper and other EV related metals will be higher prices paid for discoveries with the "bar" being lowered to 500,000 tonnes of contained Copper compared to the current level which stands at approximately one million tonnes of contained Copper.

Over the last 12 years, the copper producing industry has seen a significant reduction in the number of small and medium sized Copper mines coming to production and the general trend has been for bigger open-pit deposits with relatively low grade propositions. The Board feels that this scenario is not sustainable, since the time from discovery to commercial production is at least 10 years which makes this imbalance difficult to correct. The Directors believe that small and medium sized mines will be required to bridge the supply/demand shortfall and will see a number of smaller mine projects being commissioned over the next decade to meet this copper deficit.

The Company's projects contains assets to meet any one of the aforementioned scenarios and it will explore and develop its assets and maximise return from its projects either by sale, in-house development, or joint venture with major producers.

#### **4. Capital and Returns Management**

The Company expects that any returns for Shareholders would derive primarily from capital appreciation of the Ordinary Shares and any dividends paid pursuant to the Company's dividend policy set out below.

In the event that the Company is wound up, any capital available for distribution will be returned to Shareholders in accordance with the Articles. A resolution of Shareholders, requiring not less than three quarters of the votes cast ("**Special Resolution**"), will be required to voluntarily wind-up the Company.

#### **5. Dividend Policy**

The Company intends to pay dividends on the Ordinary Shares at such times (if any) and in such amounts (if any) as the Board determines appropriate in its absolute discretion. The Company's current intention is to retain any earnings for use in its business operations, and the Company does not anticipate declaring any dividends until the Company is generating significant revenue. The Company will only pay dividends to the extent that to do so is in accordance with all applicable laws.

#### **6. Corporate Governance**

In order to implement its business strategy, the Company has adopted a corporate governance structure more fully outlined in *Part VII – The Board of Directors* of this document. The key features of its structure are that there will be a board of five persons, namely the Executive Chairman, the Finance Director, the Business Development Director and two Non-Executive Directors.

## 7. The City Code

As a company incorporated in the Isle of Man and listed in the UK, the Company is subject to the City Code and the requirements of Rule 9 of the City Code. Under the City Code, a concert party arises where persons acting together pursuant to an agreement or understanding (whether formal or informal) co-operate to obtain or consolidate control of, or to frustrate the successful outcome of an offer for a company, subject to the City Code. Control means an interest, or interests, in shares carrying, in aggregate, 30 per cent. or more of the voting rights of a company, irrespective of whether such interest or interests give de facto control.

As at the date of this Document, Tiger together with its directors and Kjeld Thygesen, who are all deemed to be acting in concert, are interested 79.61 per cent. of African Pioneer (“**Tiger Group**”). Following completion of the Acquisitions and on Admission the Tiger Group together with the vendors of the Zambian Projects (excluding vendors who are members of the Tiger Group) (“Zambian Vendor Group”) and the vendors of the Namibian and Botswanan Projects (“Namibian and Botswanan Vendor Group”) will form the enlarged concert party (the “**Concert Party**”) that will hold 51.12 per cent. interest of the Company’s Enlarged Share Capital. Further information on the Concert Party and the application of the City Code is set out at Part XVII of this Document.

## PART VII

### DIRECTORS AND CORPORATE GOVERNANCE

#### **Directors**

The Board comprises the following people:

Name	Age	Position
Colin Bird	77	Executive Chairman
Raju Samtani	52	Finance Director
Christian Cordier	51	Business Development Director
James Cunningham-Davis	54	Non-Executive Director
Kjeld Thygesen	73	Independent Non-Executive Director

Brief biographical details of each of the Directors are set out below:

#### ***Colin Bird*** (aged 77) Executive Chairman

Colin Bird is a chartered engineer and a Fellow of the Institute of Materials, Minerals and Mining with more than 40 years' experience in resource operations management, corporate management and finance.

The formative part of his career was spent with the National Coal Board in England where he was assistant underground manager. He moved to the Zambian Copper Belt in 1970 as an assistant underground manager before joining Anglo America Coal Division in 1974 as section manager. He then moved to Botswana in 1979 to be mine manager of the BCL Nickel Copper Mine, a joint venture between Anglo American Corporation, Amax and the Botswana Government. On his return to the UK, he worked with Hampton Gold Mine areas as a director of their coal mines in Scotland before joining Costain Mining Ltd as technical director in 1987 and thereafter Plateau Mining Plc as managing director in 1989.

In 1993 he was appointed operations and technical manager for Petromin, Saudi Arabia, of their gold mining activities with responsibility for an underground mine producing 175,000oz of gold and three gold mines in various stages of feasibility study and development. In October 1995 he joined Lion Mining Finance Ltd in London as technical manager and is now managing director and majority shareholder of that company.

Colin Bird founded and floated Jubilee Metals Group Plc. He is Chairman and CEO of Galileo Resources Plc and Chairman to Xtract Resources Plc. Colin serves on the board of directors of Tiger Royalties and Investments Plc as Chairman, an AIM listed Investment Company and largest shareholder in the Company. He is also a member of the board of the TSX listed exploration company, Revelo Resources Corp, formerly known as Polar Star Mining Corp, where he served as CEO for a period as well. Mr Bird serves as executive Chairman of Bezzant Resources Plc. He joined the BMR Group Plc board as non- executive Director in April 2018. He founded and floated Kiwara Plc which discovered copper in northwest Zambia. The company was sold for US\$260million to First Quantum within 30 months of formation.

#### ***Raju Samtani*** (aged 52) Finance Director

Raju is currently finance director of Tiger Royalties and Investments Plc, listed on AIM. His previous experience includes three years as Group Financial Controller at marketing services agency WTS Group Limited, where he was appointed by the Virgin Group to oversee their investment in the WTS Group Ltd. More recently he was finance director of Kiwara Plc which was acquired by First Quantum Minerals Ltd in January 2010. Over the last few years, he has been involved in senior managerial positions for several AIM/Johannesburg Stock Exchange listed companies predominantly in the resource sector and has also been involved in FCA compliance work within the investment business sector.

#### ***Christian Cordier*** (aged 51) Business Development Director

Christian has had considerable involvement in corporate finance and investments in both public and private mining and exploration companies for over 22 years. His portfolio includes joint ventures with major international mining houses, investments in listed companies in the United Kingdom, Australia and Southern Africa as well as private mining operations. He has extensive experience in sourcing natural resource projects

and nurturing them through the value curve by packaging and arranging venture funding, managing the permitting and exploration process, negotiating off-take agreements and the formation of a strong management team. He worked as CFO and senior accountant as well as company secretary for private and public companies and is a member of SA Institute for Professional Accountants ("SAIPA"). Christian has done transactions in Coal, Platinum Group Metals, Chrome, Copper, Potash, Phosphates, Diamonds, Gold, Lithium and Manganese. Christian focuses on business development and wealth creation for private and publicly listed companies in the mining and exploration sector.

**Kjeld Thygesen** (aged 73) Independent Non-Executive Director

Kjeld Thygesen is mining investment veteran of more than 45 years. After being a mining analyst at James Capel in the latter half of the 1970's he was manager of the commodities department at Rothschild Asset Management between 1980-89. In 1990 he formed Lion Resource Advisors as a specialist adviser in the mining and natural resource sectors. LRA was the advisor to the Midas Fund in the US between 1992 - 2000, which was one of the top performing funds during that period. From 2002-2008 he was Investment director of Resources Investment Trust, a London listed investment trust which returned a threefold investment during that period. He has served on several mining company boards over the past twenty years.

**James Cunningham-Davis**, (aged 54) Non-Executive Director

James Cunningham-Davis is a qualified Solicitor and a Fellow of the Chartered Institute for Securities & Investment, founder of the law firm Buckingham Legal and founder and Managing Director of Cavendish Trust Company Ltd, and Cavendish Secretaries Limited, all of which are headquartered in the Isle of Man. Cavendish Trust and Cavendish Secretaries provide professional services to many private companies and various listed companies, across a number of sectors of industry and finance in many jurisdictions, though particularly in the Natural Resources/Mining, Technology and Property sectors. James has worked within the international legal and corporate finance/service sectors for more than 25 years and has held many directorships in both private and listed companies.

**Director appointment right under the Sandfire Convertible Loan Note Subscription Agreement**

Pursuant to the Sandfire Convertible Loan Note Subscription Agreement, further details of which are set out at paragraph 10.1.10 of Part XVI of this Document, upon conversion becoming effective on Admission, Sandfire will have the right to nominate a director to the Board of the Company whilst Sandfire shareholding remains at or above 15 per cent. of the Company's issued share capital; the appointment will be subject to customary due diligence. Sandfire has not indicated that it will take up this right and has not yet put forward to the Company a candidate for this role.

**Corporate Governance**

The Board guides and monitors the business and affairs of the Company on behalf of the Shareholders to whom it is accountable and is responsible for corporate governance matters. While certain key matters are reserved for the Board, it has delegated responsibilities for the day-to-day operational, corporate, financial and administrative activities to the Business Development Director, the Executive Chairman and the Finance Director.

In assessing the composition of the Board, the Directors have had regard to the following principles:

- the role of the Executive Chairman and the other directors should not be exercised by the same person;
- the Board should include at least one independent non-executive director, increasing where additional expertise is considered desirable in certain areas, or to ensure a smooth transition between outgoing and incoming non-executive directors; and
- the Board should comprise of directors with an appropriate range of qualifications and expertise.

The Company believes it complies with each of these principles.

Both James Cunningham-Davis and Kjeld Thygesen are the Non-Executive Directors of the Company. James Cunningham-Davis is one of the directors of Cavendish Secretaries Limited, a subsidiary of Cavendish Trust Company Limited, which provides secretarial services to the Company in the Isle of Man and is therefore for these purposes not considered independent.

Kjeld Thygesen has a holding of Ordinary Shares representing 0.14 per cent. of the Enlarged Share Capital on Admission but he is considered independent given this holding is *de minimis*.

Directors appointed by the Board are subject to election by shareholders at the Annual General Meeting of the Company following their appointment and thereafter are subject to re-election in accordance with the Company's Articles of Association.

The QCA Corporate Governance Code, as published by the Quoted Companies Alliance, is tailored for small and mid-size quoted companies in the United Kingdom. The Company will, to the extent practicable for a company of its size and nature, follow the QCA Corporate Governance Code. The Directors are aware that there are currently certain provisions of the QCA Corporate Governance Code that the Company is not in compliance with, given the size and early stage nature of the Company. These include, *inter alia*:

- The Company does not currently have a remuneration, nomination or risk committee. The Board as a whole will review remuneration, nomination and risk matters, on the basis of adopted terms of reference governing the matters to be reviewed and the frequency with which such matters are considered. The Board as a whole will also take responsibility for the appointment of auditors and payment of their audit fee, monitor and review the integrity of the Company's financial statements and take responsibility for any formal announcements on the Company's financial performance.
- Unless further independent non-executive directors are appointed, the Board will not comply with the provision of the QCA Corporate Governance Code that at least two members of the Board, excluding the Chairman, should comprise non-executive directors determined by the Board to be independent.
- The Executive Chairman of the Company is an executive director rather than an independent non-executive director as suggested by the QCA corporate governance code.

The Company has adopted and will operate a share dealing code governing the share dealings of the Directors of the Company and applicable employees with a view to ensuring compliance with the Market Abuse Regulation.

### **Share Dealing Code**

The Company has adopted, with effect from Admission, a share dealing policy regulating trading and confidentiality of inside information for the Directors and other persons discharging managerial responsibilities (and their persons closely associated) which contains provisions appropriate for a company whose shares are admitted to trading on the Official List (particularly relating to dealing during closed periods which will be in line with the Market Abuse Regulation). The Company will take all reasonable steps to ensure compliance by the Directors and any relevant employees with the terms of that share dealing policy.

### **Audit Committee**

The Company has adopted, with effect from Admission an Audit Committee, comprising the Independent Director and Business Development Director with delegated duties and responsibilities. The Audit Committee will be responsible, amongst other things, for making recommendations to the Board on the appointment of auditors and the audit fee, monitoring and reviewing the integrity of the Company's financial statements and any formal announcements on the Company's financial performance as well as reports from the Company's auditors on those financial statements.

In addition, the Audit Committee will review the Company's internal financial control and risk management systems to assist the Board in fulfilling its responsibilities relating to the effectiveness of those systems, including an evaluation of the capabilities of such systems in light of the expected requirements for any specific acquisition target. The Audit Committee will meet at least twice a year, or more frequently if required. The Audit Committee will be chaired by James Cunningham-Davis and its other member will be Christian Cordier.

## PART VIII

### THE PROJECTS

#### **1. Namibian Projects**

##### **1.1 Geological Setting and Mineralisation**

Both the Ongombo and Ongeama projects (EPLs 5772 and 6011) are geologically located within the Matchless Member of the Kuiseb Formation, a conspicuous assemblage of lenses of foliated amphibolites, chlorite-amphibolite schist, talc schist and metagabbro. This belt, up to 5 km wide in the Otjihase Mine (in care and maintenance) area, stretches 350 km east-northeastwards within the Southern Zone of the Damara Orogen from the Gorob – Hope area in the south, towards Steinhausen in the north. The belt hosts copper-gold mineralisation which has been in past production at two localities (Otjihase - and Matchless Mines owned by Weatherly International plc).

##### **1.2 Access and Availability of Exploration Requirements**

Both projects are located in the Khomas Region of central Namibia within 50 km by road from the capital Windhoek. Both EPLs are accessed via the B6 road leading eastwards towards Hosea Kutako International Airport. EPL 6011 (Ongeama) is accessed via the D1527 road leading northwards towards the Weatherly International plc Otjihase Mine (now under administration), while the D2102 (branching from the D1510) district road provides access to EPL 5772 (Ongombo). The international airport is approximately 12 km east of the combined EPL area. Labour will be available from the city of Windhoek. Potential tailings storage areas, waste disposal areas, heap leach pads and potential processing plant sites can only be identified after an EIA has been completed. Windhoek should also be able to supply most exploration requirements and comply with all sustenance supplies.

##### **1.3 Mineralisation Type and Model**

###### *Matchless Belt (Ongombo and Ongeama Projects)*

Both the Ongombo and Ongeama projects are generally described as Besshi-type volcanic-hosted massive sulphides. These are described as thin-sheet like bodies of massive to well-laminated pyrite, pyrrhotite, and chalcopyrite within thinly laminated clastic sediments and mafic tuffs.

##### **1.4 Historical Information**

The Ongombo occurrence was discovered in the early 1970's by an airborne magnetic survey, which was followed up on by 132 historical diamond drill holes that have defined three main northwest dipping mineralised shoots.

The Ongeama copper occurrence is geologically similar to the Ongombo occurrence. Historical work defined a surface outcrop of northeast-southwest trending gossanous pelitic schists developed over 1.2 km. Subsequently, 26 diamond drill holes completed in 1970's demonstrated the Ongeama shoot extends down-plunge for a distance of 1,650 m, over a width of 150 to 250 m. Further drilling in the 1990's showed copper mineralisation to extend to a depth of 350 m below surface.

#### **2. Zambian Projects**

##### **2.1 Geological Setting and Mineralisation**

###### *Zambezi Belt*

The Zambezi licence located within the Zambezi Belt of southern Zambia, hosts a lower Katanga Supergroup succession which, although less studied than its northern counterpart, also hosts a number of Copperbelt-style occurrences. The Mwembeshi Shear Zone forms the northern boundary of the Zambezi Belt, separating it from the Lufilian Arc. The Mwembeshi Shear Zone, which comprises multiple strands over a width of kilometres, has been interpreted to continue as the Matchless Belt in the Damara Supergroup of Namibia.

### *Central African Copperbelt*

APZ's licences are located on the western edge of the fold-thrust belt of the Lufilian Arc. The Lufilian Arc is a Pan-African fold-and-thrust belt that extends over 800 km in an east-west direction, curving to the northeast. It originates in Luanshya (Zambia), extending through Kolwezi (Democratic Republic of the Congo) and terminates in south-eastern Angola. The Lufilian Arc comprises metasedimentary rocks of the Katanga Supergroup, which hosts the Central African Copperbelt. The Central African Copperbelt is the largest and most prolific mineralized sediment-hosted copper province known on Earth. In Zambia, the Lufilian Arc unconformably overlies the basement, which consists of older metamorphosed gneisses, schists, migmatites, amphibolites and granitoids. The geology within the African Pioneer projects predominantly comprises supracrustal metasedimentary rocks of the Nguba and Kundulungu Groups. Although exact stratigraphic placement of these lithologies is difficult on site, mostly due to the structural complexity of the area and limited outcrop, the regional geological setting of the area points towards similarities with the Ivanhoe Mines Ltd Kamoak-Kakula deposits in the adjacent Democratic Republic of the Congo ("DRC").

## **2.2 Access and Availability of Exploration Requirements**

### *Zambezi Belt Project*

The projects are located nearby to Lusaka, the capital of Zambia. Although access to the regional area is regarded as good, no doubt most of the licences will have access issues resulting from limited on site infrastructure. Labour will be available from Lusaka. Potential tailings storage areas, waste disposal areas, heap leach pads and potential processing plant sites can only be identified after an EIA has been completed. Both these towns should also be able to supply most exploration requirements and comply with all sustenance supplies.

### *Central African Copperbelt Projects*

The projects are located nearby to the main regional town of Mwinilunga. Although access to the regional area are regarded as good, no doubt that most of the licences will have access issues resulting from limited on site infrastructure. Labour will be available from the town of Mwinilunga. Potential tailings storage areas, waste disposal areas, heap leach pads and potential processing plantsites can only be supplied after an Environmental Impact Assessment has been completed. Both these towns should also be able to supply most exploration requirements and comply with all sustenance supplies.

## **2.3 Mineralisation Type and Model**

### *Zambezi Belt*

Within the Zambezi Belt south of the Mwembeshi Shear Zone, thrusting and faulting of the complex Basement-Muva-Katanga terrain was accompanied by widespread de-watering, resulting in the genesis of a considerable number of gold and copper prospects which were deposited under similar conditions to that of the Central African Copperbelt. Additional gold mineralisation is evident in the area specifically at the Chumbwe Gold Prospect located on the western boundary of the African Pioneer License area. Regional interpretation has demonstrated that Chumbwe is likely to form part of the Chongwe Copperbelt and therefore contains similar mode of deposition to that of the Central African Copperbelt.

### *Central African Copperbelt*

The area is host to numerous operating copper-cobalt mines and has been worked continuously for the last century. It has been estimated to host over 5 billion tonnes of copper ore with grades of up to 4 per cent. Cu. The Central African Copperbelt is also host to around 40 per cent. of the world's known cobalt concentration and almost 50 per cent. of copper hosted in sedimentary deposits. Sedimentary copper deposits are the second most important source of copper after porphyry copper deposits and account for about 20 per cent. of the world's copper production. This world-class mineral province stretches from the Copperbelt Province in Zambia northwards through the Katangan Province of the Democratic Republic of Congo and back into the North Western Province of Zambia.

## 2.4 **Historical Information**

### *Zambezi Belt*

This license (27769 HQ-LEL) was previously held by ASX listed Zambezi Resources from 2004 to 2006. Although a significant gold prospect was located and drilled by Zambezi on the historical licenses, this occurrence is located just off the western boundary of the current African Pioneer license. Although a number of regional target areas were defined by Zambezi Resources on the current African Pioneer license, no information is available on ground follow up of these target areas.

### *Central African Copperbelt*

These licenses were worked over many decades by a number of groups, the most recent being Anglo American in 2018 as well as MMG in 2016. Both companies completed airborne geophysical surveys and soil geochemical surveys, which culminated in a number of targets requiring follow up work. No drilling has been completed by either company, but historical reports point to a limited number of shallow RAB holes as well as two diamond drillholes on the Luamata South license (27771 HQ-LEL). No significant mineralisation was detected in this historical drilling.

## **3. Botswanan Projects: Subject to Conditional Botswana Licence Sale Agreement**

### **3.1 Geological Setting and Mineralisation**

#### *Kalahari Copperbelt*

The Kalahari Copperbelt licences (PLs 96, 98 and 100 to 103/2020) are located in western Botswana. The northeast-trending Meso- to Neoproterozoic belt, approximately 1,000 km long by up to 250 km wide, stretches discontinuously from western Namibia into northern Botswana along the northwestern edge of the Palaeoproterozoic Kalahari Craton. The belt contains copper-silver mineralisation which is generally stratabound and hosted in metasedimentary rocks that have been folded, faulted and metamorphosed to greenschist facies during the Damara Orogeny.

#### *Limpopo Mobile Belt*

The Selebi Phikwe regional area in eastern Botswana (comprising PLs 97 and 99/2020) is underlain by rocks of the Archaean basement which regionally forms part of the Azanian Craton, a fragment of Archaean continental crust comprising, from south to north, the Kaapvaal Craton, the Limpopo Belt and the Zimbabwe Craton. The Limpopo Project is set within the Motloutse Complex of eastern Botswana, a transitional boundary between the Zimbabwe Craton to the north and the Limpopo Mobile Belt to the south.

### **3.2 Access and Availability of Exploration Requirements**

#### *Kalahari Copperbelt Projects*

The Kalahari Projects are located in western Botswana spread out between the Borderpost and the northern capital of Maun. As such, access varies from one PL to the next, but all projects are regarded as easily accessible from the main A2/A3 tarred roads. Labour will be available from the regional towns of Ghanzi and Maun. Potential tailings storage areas, waste disposal areas, heap leach pads and potential processing plant sites can only be identified after an EIA has been completed. These towns should also be able to supply most exploration requirements and comply with all sustenance supplies.

#### *Limpopo Mobile Belt Projects*

The Limpopo Projects are located in eastern Botswana nearby to the towns of Selebi Phikwe and Francistown. The projects are easily accessed from the main A1 tarred road leading between Francistown and Gaborone, the capital of Botswana. Labour will be available from the towns of Francistown and Selebi Phikwe. Potential tailings storage areas, waste disposal areas, heap leach pads and potential processing plant sites can only be identified after an EIA has been completed. Both these towns should also be able to supply most exploration requirements and comply with all sustenance supplies.

### 3.3 **Mineralisation Type and Model**

#### *Kalahari Copperbelt*

The Kalahari Copperbelt contains copper-silver mineralisation, which is generally stratabound and hosted in metasedimentary rocks that have been folded, faulted and metamorphosed to greenschist facies during the Damara Orogeny.

#### *Limpopo Mobile Belt*

The area to the east and south of Francistown in eastern Botswana hosts a number of intrusive magmatic Ni–Cu–(PGE) sulphide deposits that remain poorly characterised. Several of the deposits are of considerable economic interest, including the mines at Phoenix and Selebi-Phikwe and the Selkirk ore body. Some of the deposits, notably at Phoenix, contain important concentrations of platinum group elements (ca 5–10 ppm in the sulphides). They are hosted by high-grade metamorphosed gabbronorites, pyroxenites and peridotites believed to be older than ca 2.0 Ga that intruded gneisses of the Central Zone of the Limpopo metamorphic belt.

### 3.4 **Historical Exploration**

#### *Kalahari Copperbelt*

Although some of the African Pioneer licenses were part of the Sandfire Resources (previously MOD Resources) licenses prior to relinquishment, no historical work has been located to date.

#### *Limpopo Mobile Belt*

Although one of these licenses formed part of the ASX listed Botswana Metals Ltd (Now Six Sigma) licences which were subsequently relinquished on PL renewal applications, no work has been done on these licenses to date.

The information in paragraphs 1 to 3 above has been sourced from the Competent Person's Report included at Part XX of this Document. The evaluation presented in the CPR reflects the informed judgement of the Competent Person ("CP") based on accepted standards of professional investigation but is subject to generally recognised uncertainties associated with the interpretation of geological, geophysical and subsurface data. It should be understood that any evaluation, particularly one involving exploration and future minerals developments, may be subject to significant variations over short periods of time as new information becomes available.

## **4. Exploration Work by African Pioneer on the Licenses**

No work has been done by African Pioneer on any of the licenses in any of Namibia, Zambia or Botswana, forming the basis of the Competent Person's Report.

Further details will be found in the Competent Person's Report at Part XX of this Document.

## **5. Exploration Strategy and Overall Work Programmes**

The Company's Projects at Admission are the subject of the Competent Person's Report include at Part XX of this Document which includes recommendations for exploration activities and projected costs. The Board has established 18 month exploration and work programmes for its Projects as summarised below which adopts those proposed in the Competent Person's Report. The costs of these exploration and work programmes are in aggregate US\$815k (approximately GBP600k) and are provided for in the Use of Proceeds shown at the end of Part XIII of this document. Namibia, Zambia and Botswana are all well-established mining jurisdictions with a pool of experienced in-country expertise in the exploration of mining projects and the Company plans to conduct its work programmes with a combination of in-country and international technical people and contractors.

If the arrangements with Sandfire proceed as described in Part VI of this Document, Sandfire will accelerate the rate of expenditure on the Botswanan assets by funding a minimum of US\$1 million of expenditure (compared to the Group's 18 month budget of \$176,000) and the proceeds from the sale to Sandfire will

allow the Group to concentrate its increased financial resources and its management capabilities on its remaining two projects in Namibia and Zambia.

### **Namibian Projects**

The Ongombo and Ongeama project areas have benefited from detailed work over the past decades and additional work is planned over the next 18-month period in order to establish a current mineral resource classification.

The geology of the Central Shoot is reasonably well understood, whereas the geology of the East Shoot is less well defined. Additional drilling is therefore required to define the boundaries of the East Shoot and higher-grade areas as well as the extension of the Central Shoot. In addition, the locations of faults that might break the deposit up as seen at Otjihase are not known. Some of these faults are likely to be water bearing and special consideration will need to be made should these deposits ultimately be developed. Detailed ground geophysical survey interpretation and diamond drilling is needed to define such fault compartments.

#### *Phase 1 - Months 1 to 12 (Groundwork)*

Phase 1 aims to determine, through a reverse circulation ("RC") and diamond drilling ("DD") programme, the geological controls of mineralisation within the East Shoot at Ongombo as well as to drill the possible extensions of the Central Shoot and define its boundaries. Similar groundwork and drilling are recommended for the Ongeama Project.

Groundwork planned:

- Soil sampling, trenching, geological mapping and geophysical data interpretation (mostly over Ongeama Project).
- Detailed magnetic ground surveys (mostly over Ongeama Project).

Drill target definition based upon geophysical and geochemical target generation.

#### *Phase 2 - Months 12 to 18 (Drilling)*

- RC drilling and diamond drilling on target areas generated during Phase 1.
- Drilling should focus on extending resource areas and increasing confidence levels of current resource estimates at Ongombo, but also to define known mineralisation at Ongeama

### **Zambian Projects**

The Company's management team has designed an 18-month (2 phases) work programme for each of the Zambian projects.

#### *Months 1 to 12 (Phase 1) (Groundwork)*

Through a RC and DD programme, this phase will determine the geological controls of mineralisation in the highest priority target areas for both the Copperbelt and Zambezi Project areas.

Groundwork:

- Soil sampling, trenching, geological mapping and geophysical data interpretation where available.
- Magnetic and Induced Polarisation (IP) ground surveys. Line spacing can only be determined after initial groundwork has been completed.

Drill target definition based upon geophysical and geochemical target generation.

#### *Months 12 to 18 (Phase 2) (Drilling)*

RC drilling and diamond on target areas generated during Phase 1 work programme

### **Botswana Projects: Subject to Conditional Botswana Licence Sale Agreement**

The Company's management team originally designed an 18-month work programme for each of the Botswana project areas. This initial exploration work programme included geochemical and geophysical surveys but does not include drilling. This phase was to be limited to reconnaissance followed by more detailed groundwork.

This phase will define drill collar positions through the following active work:

- Soil sampling, trenching, geological mapping and geophysical data interpretation
- Magnetic and induced polarisation (IP) and/or electromagnetic ground geophysical surveys.

The Company has now entered into a Conditional Botswana Licence Sale Agreement with Sandfire as more fully described in Part VIII of this Document. Upon completion of the Conditional Botswana Licence Sale Agreement Sandfire will assume responsibility for the exploration budget of the Botswana Projects and has committed to US\$1,000,000 of exploration expenditure within two years of completion of the Conditional Botswana Licence Sale Agreement. If the Conditional Botswana Licence Sale Agreement does not complete by its Long Stop date of 30 September 2021 (or such later date as agreed by the parties) then African Pioneer will remain responsible for the Exploration Budget of the Botswana Projects. However, if the conditions precedent in that agreement are met and the sale of the Botswanan Licences completes, the Company will apply any additional funds received from this transaction and the cost saved on the work programmes in respect of the Botswanan Projects towards the remaining Namibian and Zambian Projects and/or further acquisitions as and when any may be identified.

## **6. Detailed Work Programmes and Costings**

In line with the Exploration Strategy and Overall Work Programmes set out above, the Directors' have adopted the following detailed budgets for the work programmes as extracted from the Competent Person's Report at Part XX:

### **6.1 Namibian Exploration Budget**

*Table 25-1  
Eighteen month minimum in-country Exploration Budget for the Ongombo and Ongeama Projects in Namibia*

#### **Months 1 to 12 (All costs in USD)**

<i>Planned Minimum Activity</i>	<i>Ongombo</i>	<i>Ongeama</i>	<i>Total</i>
Environmental and social investigations	5,296	5,296	10,592
Geophysical data interpretation for target generation	2,648	2,648	5,296
Trenching/pitting, soil sampling and mapping on completion of above	0	15,889	15,889
Target generation for follow up with ground geophysical surveys	0	2,648	2,648
Ground magnetic surveys on targets generated by geochemical surveys	0	5,296	5,296
Data collation and review for target refinement	0	2,648	2,648
Geologist and technician costs for active work time	22,774	22,774	45,547
Sundries and accommodation for active work time	22,774	22,774	45,547
<b>Sub Total (Year 1)</b>	<b>53,492</b>	<b>79,973</b>	<b>133,464</b>

### Months 12 to 18 (All costs in USD)

Planned Minimum Activity	Ongombo	Ongeama	Total
RC drilling (USD 100/meter)	31,777	31,777	63,554
DD Drilling (USD 250/meter)	39,722	39,722	79,443
Modelling and reporting	7,944	7,944	15,889
Geologist and technician costs for active work time	7,944	7,944	15,889
Sundries and accommodation for active work time	7,944	7,944	15,889
<b>Sub Total (Year 2)</b>	<b>95,332</b>	<b>95,332</b>	<b>190,663</b>
<b>Subtotal for 18 Months</b>	<b>148,823</b>	<b>175,304</b>	<b>324,127</b>
<b>Contingency</b>	<b>14,882</b>	<b>17,530</b>	<b>32,412</b>
<b>TOTAL FOR 18 MONTHS</b>	<b>163,705</b>	<b>192,835</b>	<b>356,540</b>

### 6.2 Zambian Exploration Budget

Table 25-3

Eighteen month minimum in-country Exploration Budget for the Zambia projects description

### Months 1 to 12 (All costs in USD)

Planned Minimum Activity	Copperbelt	Zambezi	Total
Environmental and social investigations	10,582	5,307	15,889
Geophysical data interpretation for target generation	5,291	2,653	7,944
Trenching/pitting, soil sampling and mapping on completion of above	10,582	5,307	15,889
Target generation for follow up with ground geophysical surveys	1,058	531	1,589
Ground magnetic surveys on targets generated by geochemical surveys	15,889	5,296	21,185
Data collation and review for target refinement	5,291	2,653	7,944
Geologist and technician costs for active work time	22,774	22,774	45,547
Sundries and accommodation for active work time	22,774	22,774	45,547
<b>Sub Total (Year 1)</b>	<b>94,240</b>	<b>67,295</b>	<b>161,534</b>

### Months 12 to 18 (All costs in USD)

Planned Minimum Activity	Copperbelt	Zambezi	Total
RC drilling (USD 100/meter)	15,889	15,889	31,777
DD Drilling (USD 250/meter)	19,861	19,861	39,722
Modelling and reporting	3,972	3,972	7,944
Geologist and technician costs for active work time	3,972	3,972	7,944
Sundries and accommodation for active work time	3,972	3,972	7,944
<b>Sub Total (Year 2)</b>	<b>47,666</b>	<b>47,666</b>	<b>95,332</b>
<b>Subtotal for 18 Months</b>	<b>141,905</b>	<b>114,960</b>	<b>256,866</b>
<b>Contingency</b>	<b>14,191</b>	<b>11,496</b>	<b>25,687</b>
<b>TOTAL FOR 18 MONTHS</b>	<b>156,096</b>	<b>126,456</b>	<b>282,552</b>

### 6.3 Botswana Exploration Budget

Table 25-2

Eighteen month minimum in-country Exploration Budget for the Kalahari Copperbelt and Limpopo Mobile Belt Projects

Months 1 to 18 (All costs in USD)

<i>Planned Minimum Activity</i>	<i>Kalahari</i>	<i>Limpopo</i>	<i>Total</i>
Environmental and social investigations	5,291	2,653	7,944
Geophysical data interpretation for target generation	5,291	2,653	7,944
Trenching/pitting, soil sampling and mapping on completion of above	15,889	5,296	21,185
Target generation for follow up with ground geophysical surveys	5,291	2,653	7,944
Ground magnetic surveys on targets generated by geochemical surveys	12,711	3,178	15,889
Data collation and review for target refinement	5,291	2,653	7,944
Geologist and technician costs for active work time	22,774	22,774	45,547
Sundries and accommodation for active work time	22,774	22,774	45,547
<b>Subtotal</b>	<b>95,310</b>	<b>64,635</b>	<b>159,945</b>
RC drilling (USD 100/meter)	0	0	0
DD Drilling (USD 250/meter)	0	0	0
Modelling and reporting	0	0	0
Geologist and technician costs for active work time	0	0	0
Sundries and accommodation for active work time	0	0	0
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Subtotal for 18 Months</b>	<b>95,310</b>	<b>64,635</b>	<b>159,945</b>
<b>Contingency</b>	<b>9,531</b>	<b>6,463</b>	<b>15,995</b>
<b>TOTAL FOR 18 MONTHS</b>	<b>104,841</b>	<b>71,098</b>	<b>175,939</b>

## PART IX

### REGULATORY AND OPERATING ENVIRONMENT

#### **Namibia Mineral Licensing**

In Namibia, all mineral rights are vested in the state. The Minerals (Prospecting and Mining) Act of 1992 ([http://www.mme.gov.na/pdf/minerals\\_act\\_1992.pdf](http://www.mme.gov.na/pdf/minerals_act_1992.pdf)) regulates the mining industry in the country. Several types of mining and prospecting licenses exist, outlined briefly below:

- **Non Exclusive Prospecting Licenses (NEPL) (Not a common exploration license application)**
  - Valid for 12 months, these licenses permit prospecting non-exclusively in any open ground not restricted by other mineral rights. Prospectors must furnish the Mining Commissioner on details on all samples removed from the NEPL area.
  - Reconnaissance Licenses (RL) (Not a common exploration license application)
  - These licenses allow regional remote sensing techniques and are valid for 6 months (renewable under special circumstances) and can be made exclusive in some instances. A geological evaluation and work plan needs to be submitted.
  - Exclusive Prospecting License (EPL) (Common exploration license application)
  - Individual EPL's can cover areas not exceeding 1,000 km<sup>2</sup> and are valid for three years, with two renewals of two years each. Two or more EPL's can be issued for more than one mineral in the same area. A geological evaluation and work plan (including estimated expenditure commitments) are a pre requisite prior to issuing of the licenses.
  - Mineral Deposit Retention Licenses (MDRL)
  - These allow successful prospectors to retain rights to mineral deposits which are uneconomical to exploit immediately. MDRL's are valid up to five years and can be renewed subject to limited work and expenditure obligations.
  - Mining Licenses (ML)
  - Can be awarded to Namibian citizens and companies registered in Namibia. They are valid for the life of mine or an initial 25 years, renewable up to 15 years at a time. Applicants must have financial and technical resources to mine effectively and safely.

#### **Zambia Mineral Licensing**

The primary law governing the mining sector in Zambia is the *Mines and Minerals Development Act No. 11 of 2015* of the Laws of Zambia (MMDA) as read together with the *Mines and Minerals Development (Amendment) Act No. 14 of 2016* (Alexander and Silwamba, 2020). The following are the three types of licenses that are available for **large-scale operators**.

- **Prospecting licence** — This licence confers the right to prospect for any mineral over any size of area for a period of 2 years and are renewable.
- **Retention licence** — This licence confers the right to retain an area subject to the Minister's agreement, over which feasibility studies have been completed, but market conditions are unfavourable for development of a deposit at that time. Size of area may be that covered by a prospecting license or smaller, as redefined by the license holder.
- Large-scale mining licence — This licence confers exclusive rights to carry out mining operations and other activities reasonably incidental to that in the area, for a maximum of 25 years. The area to be held should not exceed the area required to carry out the proposed mining operations.

Applications need to be accompanied by environmental protection plans and proposals for employment and training of Zambian citizens.

Similar rights are available to **smaller operators**, but on a reduced scale.

- Prospecting permits — These permits relate to areas of 10 square kilometres, are valid for 2 years and are non-renewable.

- Small-scale mining license — These relate to areas not exceeding 400 hectares, are valid for 10 years and are renewable.
- Artisans' mining rights — These give local people the right to mine on an artisanal basis in an area not exceeding 5 hectares, are valid for 2 years and are non-renewable.
- Gemstone license — Holders of this license may carry mining operations over an area not exceeding 400 hectares, for a period of not more than 10 years.

The government of the Republic of Zambia has also created a framework for responsible development through publication of the Environmental Protection and Pollution Control (Environmental Impact Assessment) Regulations, 1997. It also has a number of sector-specific laws and regulations related to the environment.

### **Botswana Mineral Licensing (the Botswana Projects are subject to the Conditional Botswana Licence Sale Agreement)**

Mineral rights in Botswana are owned by the State. The Ministry of Mineral Resources, Green Technology and Energy security oversees the operations and development of the energy, water and minerals sector in Botswana. Mining activities are chiefly administered under the Mines and Minerals Act, 1999 (the "Act"). The Act consists of 14 parts and two schedules. The legislation allows the government to acquire a minority stake (generally 15 percent) in mining projects as a partner and seek participation in the mining projects by having representation on their boards. The Act regulates the issuance of exploration and mining licences and endeavours to reach a balance between mining activity and environmental impact.

The Act states the following:

- All rights of ownership of minerals are vested in the Republic of Botswana subject to the provisions of mineral rights in the Tribal Territories Act;
- The right to prospect or to mine minerals can be acquired and held only in accordance with the provisions of this Act, and no person is allowed to prospect or mine minerals except as
- provided in this Act;
- The Minister of Mineral Resources, Green Technology and Energy Security is responsible for the most efficient, beneficial and timely investigation and exploitation of mineral resources of the country; and
- No right to explore or produce petroleum (as defined in section 2 of the Petroleum Exploration and Production Act) may be granted or exercised under this Act. The following are the licences and permits granted under this Act.

**Prospecting Licence** enables the holder to intentionally look for minerals in the prospecting area and determine their extent and economic value. A Prospecting Licence is valid for such period as the applicant has applied for and cannot exceed three years. The holder of a Prospecting Licence can apply for a renewal three months before the expiry of his licence and specify the period for which the renewal is sought. An applicant is entitled to the granting of not more than two renewals, each for the period applied for and not exceeding two years in either case.

A **Retention Licence** provides a right of retention over a prospecting area. The holder of a Prospecting Licence can apply for a Retention Licence in relation to the area and a mineral covered by his licence.

The holder of a Prospecting Licence, Retention Licence or a waiver (issued by the minister once being satisfied that the area over which a Mining Licence is required has been sufficiently prospected and that no other person has exclusive rights to that area) can apply for a Mining Licence for an area in respect of which the waiver has been issued or for an area within his prospecting area or retention area. A Mining Licence is valid for a period not exceeding 25 years. The government has the option of acquiring up to 15 per cent. working interest participation in the proposed mine upon the issuance of a Mining Licence.

A person wishing to conduct small-scale mining operations may apply for a **Minerals Permit** for any mineral other than diamonds over an area not exceeding 0.5km<sup>2</sup> per permit. The holder of a Minerals Permit has to demarcate the area covered by such permit in the prescribed manner within three months of the issue of the permit. A Minerals Permit is valid for a period not exceeding five years as determined by the minister and may be renewed for further periods not exceeding five years each.

## PART X

### HISTORICAL FINANCIAL INFORMATION ON THE GROUP

#### SECTION A.1: ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF THE COMPANY



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26 May 2021

The Directors  
African Pioneer Plc  
34 North Quay  
Douglas  
Isle of Man  
IM1 4 LB

The Directors  
Beaumont Cornish Limited  
Building  
566 Chiswick High Road  
London  
W4 5YA

Dear Sirs

#### ***African Pioneer Plc ("the Company" or "APP")***

**Placing of 50,000,000 Placing Shares at a Placing Price of 3.5 pence per share Admission of the Enlarged Issued Share Capital to the Official List (by way of a Standard Listing under Chapter 14 of the Listing Rules) and to trading on the main market for listed securities of the London Stock Exchange ("the Transaction")**

#### **Introduction**

We report on the audited historical financial information set out in Section A.2 of this *Part X – Historical Financial Information of the Group* of the prospectus (the "**Prospectus**") relating to African Pioneer Plc. This covers the financial years ended 31 December 2020, 2019 and 2018. This information has been prepared for inclusion in the Prospectus dated 26 May 2021 prepared in connection with the Transaction and on the basis of the accounting policies set out in note 1. This report is required by Annex 1, section 18, item 18.3.1 of the UK version of the Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CDR**") and is given for the purpose of complying with that requirement and for no other purpose.

#### **Responsibility**

The directors of the Company (the "**Directors**") are responsible for preparing the APP Historical Financial Information on the basis of preparation set out in the notes to the APP Historical Financial Information and in accordance with International Financial Reporting Standards ("**IFRS**") as adopted by the European Union.

It is our responsibility to form an opinion on the APP Historical Financial Information, and to report our opinion to you. Save for any responsibility we may have to those persons to whom this report is expressly addressed

as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Annex 1, section 18, item 18.3.1 of the UK CDR consenting to its inclusion in the Prospectus.

### **Basis of opinion**

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the APP Historical Financial Information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the APP Historical Financial Information and whether the accounting policies are appropriate and consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the APP Historical Financial Information is free from material misstatement whether caused by fraud or other irregularity or error.

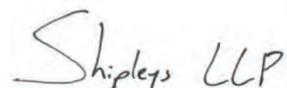
### **Opinion**

In our opinion, the APP Historical Financial Information gives, for the purpose of the Prospectus dated 26 May 2021 a true and fair view of the state of affairs of African Pioneer Plc as at 31 December 2020, 31 December 2019 and 31 December 2018 and of its results, cash flows and changes in equity for the period then ended in accordance with the applicable financial reporting framework and has been prepared in a form that is consistent with the accounting policies adopted by the Company.

### **Declaration**

For the purposes of Prospectus Regulation Rule 5.3.2R(2)(f) we are responsible for this report as part of the Document and declare that, to the best of our knowledge, the information contained in this report, for which we are responsible, is in accordance with the facts and that this report makes no omission likely to affect its import. This declaration is included in the Document in compliance with item 1.2 of Annex 1 to the UK CDR.

Yours faithfully

A handwritten signature in black ink that reads "Shipleys LLP". The signature is fluid and cursive, with "Shipleys" on the top line and "LLP" on the bottom line.

**Shipleys LLP**  
*Reporting Accountants*

## SECTION A.2: AUDITED HISTORICAL FINANCIAL INFORMATION OF THE COMPANY

### Company Statement of Comprehensive Income as at 31 December 2020, 2019 and 2018

*All amounts stated in Pound Sterling*

	Note	31 December 2020	31 December 2019	31 December 2018
		£	£	£
Income:				
Interest receivable		1	3	15
Dividend receivable		341	1,030	754
Realised gain/(loss) on sale of investments		(81,707)	–	(22,050)
Unrealised gain/(loss) on investments		138,231	(26,241)	(79,936)
<b>Total income</b>		<b>56,866</b>	<b>(25,208)</b>	<b>(101,217)</b>
Administrative expenses:				
Accounting, administrative and legal fees		(7,537)	(6,000)	(6,150)
Audit fees		(9,999)	(2,167)	(2,167)
Director fees	2	(3,600)	(3,600)	25,605
Management services		(10,800)	(10,800)	(10,800)
Other admin expenses		(5,958)	(3,450)	(3,243)
Listing related costs		(63,045)	–	–
Mining licenses and rights		(41,323)	–	–
Interest Expense		(4,760)	(4,061)	(2,060)
Total expenses		(147,022)	(30,078)	1,185
OPERATING (LOSS) FOR THE PERIOD		(90,156)	(55,286)	(100,032)
Taxation	9	–	–	–
<b>NET PROFIT/(LOSS) FOR THE PERIOD</b>		<b>(90,156)</b>	<b>(55,286)</b>	<b>(100,032)</b>
Other comprehensive income		–	–	–
<b>Total comprehensive income/(loss)</b>		<b>(90,156)</b>	<b>(55,286)</b>	<b>(100,032)</b>

**Company Statement of Financial Position  
as at 31 December 2020, 2019 and 2018**

*All amounts stated in Pound Sterling*

	<i>Note</i>	<i>31 December 2020</i>	<i>31 December 2019</i>	<i>31 December 2018</i>
		£	£	£
<b>NON CURRENT ASSETS</b>				
Available for sale investments		99,105	106,469	132,710
<b>Total Non-Current Assets</b>		99,105	106,469	132,710
<b>CURRENT ASSETS</b>				
Trade and other receivables	5	420	420	420
Cash and cash equivalents		87,462	1,576	23,494
<b>Total Current Assets</b>		87,882	1,996	23,914
<b>TOTAL ASSETS</b>		186,987	108,465	156,624
<b>CURRENT LIABILITIES</b>				
Trade and other payables	6	(50,730)	(11,520)	(8,454)
<b>Total Current Liabilities</b>		(50,730)	(11,520)	(8,454)
<b>NON-CURRENT LIABILITIES</b>				
Loans		(49,143)	(44,675)	(40,614)
<b>NET ASSETS/(LIABILITIES)</b>		87,114	52,270	107,556
<b>EQUITY</b>				
Share capital	8	452,983	452,983	452,983
Retained earnings		(552,315)	(462,159)	(406,873)
Capital Contribution		186,446	61,446	61,446
<b>TOTAL EQUITY</b>		87,114	52,270	107,556

**Company Statement of Changes in Equity  
as at 31 December 2020, 2019 and 2018**

*All amounts stated in Pound Sterling*

	Share Capital	Capital Contribution	Retained Earnings	Revaluation Reserve	Total Equity
<b>As at 1 January 2018</b>	452,983	–	(384,549)	77,708	146,142
Transfer from Revaluation Reserve to P&L	–	–	77,708	(77,708)	–
Capital contribution arising on loan from parent company	–	61,446	–	–	61,446
Profit/(loss) for the year	–	–	(100,032)	–	(100,032)
Other Comprehensive Income	–	–	–	–	–
<b>As at 31 December 2018</b>	<u>452,983</u>	<u>61,446</u>	<u>(406,873)</u>	<u>–</u>	<u>107,556</u>
<b>As at 1 January 2019</b>	<u>452,983</u>	<u>61,446</u>	<u>(406,873)</u>	<u>–</u>	<u>107,556</u>
Profit/(loss) for the year	–	–	(55,286)	–	(55,286)
Other Comprehensive Income	–	–	–	–	–
<b>As at 31 December 2019</b>	<u>452,983</u>	<u>61,446</u>	<u>(462,159)</u>	<u>–</u>	<u>52,270</u>
<b>As at 1 January 2020</b>	<u>452,983</u>	<u>61,446</u>	<u>(462,159)</u>	<u>–</u>	<u>52,270</u>
Convertible loan notes issued	–	125,000	–	–	125,000
Profit/(loss) for the year	–	–	(90,156)	–	(90,156)
Other Comprehensive Income	–	–	–	–	–
<b>As at 31 December 2020</b>	<u>452,983</u>	<u>186,446</u>	<u>(552,315)</u>	<u>–</u>	<u>87,114</u>

**Company Statement of Cash Flows**  
**as at 31 December 2020, 2019 and 2018**

*All amounts stated in Pound Sterling*

	31 December 2020 £	31 December 2019 £	31 December 2018 £
<b>Cash Flow from Operations</b>			
(Loss)/Profit before taxation	(90,156)	(55,286)	(100,032)
<i>Adjustments for</i>			
Interest Received	(1)	(3)	(15)
Dividends Received	(341)	(1,030)	(754)
(Loss)/Gain on disposal	81,707	–	22,050
Unrealised loss on investments	(138,231)	26,241	79,936
Interest Expense	4,760	4,061	2,060
Operating (loss) before movements in working capital	(142,262)	(26,017)	3,245
Increase in receivables	–	–	–
Increase/Decrease in payables	38,918	3,066	(128,211)
<b>Net cash outflow from operating activities</b>	<b>(103,344)</b>	<b>(22,951)</b>	<b>(124,966)</b>
<b>Taxation paid</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Cash flow from Investing Activities</b>			
Interest received	1	3	15
Dividends received	341	1,030	754
Investments purchased	–	–	(26,507)
Investments sold	63,888	–	54,730
<b>Net cash inflow from investing activities</b>	<b>64,230</b>	<b>1,033</b>	<b>28,992</b>
<b>Cash flow from financing activities</b>			
Issue of convertible loan note	125,000	–	–
Capital contribution arising on loan from parent company	–	–	100,000
<b>Net cash inflow from financing activities</b>	<b>125,000</b>	<b>–</b>	<b>100,000</b>
<b>Net increase/(decrease) in cash and cash equivalents in the period</b>	<b>85,886</b>	<b>(21,918)</b>	<b>4,026</b>
Cash and cash equivalents at the beginning of the period	1,576	23,494	19,468
<b>Cash and cash equivalents at the end of the period</b>	<b>87,462</b>	<b>1,576</b>	<b>23,494</b>

**Company Notes to the accounts  
as at 31 December 2020, 2019 and 2018**

**1. Accounting Policies**

***Basis of preparation***

The financial statements have been prepared under the historical cost convention except for the measurement of certain non-current asset investments at fair value. The measurement basis and principal accounting policies of the Company are set out below. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union.

***Valuation of Investments***

The company has adopted the provisions of IFRS9 and has elected to treat all available for sale investments at fair value with changes through the profit and loss.

Available-for-sale investments under IFRS9 are initially measured at fair value plus incidental acquisition costs. Subsequently, they are measured at fair value in accordance with IFRS 13. This is either the bid price or the last traded price, depending on the convention of the exchange on which the investment is quoted.

All gains and losses are taken to profit and loss.

The company has adopted the provisions of IFRS9 and has elected to treat all available for sale investments at fair value with changes through the profit and loss.

Available-for-sale investments under IFRS9 are initially measured at fair value plus incidental acquisition costs. Subsequently, they are measured at fair value in accordance with IFRS 13. This is either the bid price or the last traded price, depending on the convention of the exchange on which the investment is quoted.

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All gains and losses are taken to profit and loss.

The company has adopted the provisions of IFRS9 and has elected to treat all available for sale investments at fair value with changes through the profit and loss.

***Significant management judgement in applying accounting policies and estimation uncertainty***

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

***Fair value of financial assets***

Establishing the fair value of financial assets may involve inputs other than quoted prices.

***Impairment of financial assets***

Determining whether the decline in the fair value of a financial asset constitutes an impairment and, as regards "available-for-sale" financial assets, whether that cumulative decline should therefore be reclassified to profit and loss is inherently subjective. The Group applies a quantitative threshold of a 20 per cent. decline in fair value against cost as being a key determinant in establishing whether an asset is impaired. On the balance sheet date there were no material available for sale investments where the carrying value was below cost but the decline had been treated as a temporary fall rather than an impairment through profit and loss.

### **Going concern**

Whilst the company's net current assets at year-end were £87,114, the Company remains dependent on the continued financial support from Tiger Royalties and Investments Plc (the ultimate parent company, note 14), to enable it to continue operating and to meet its liabilities as they fall due.

On 11 March 2021, the Company entered into a Convertible Loan Note Share Subscription Agreement with Sandfire Resources Limited ("Sandfire"). Under this agreement, Sandfire has now subscribed for US\$500,000 interest free unsecured loan notes ("Sandfire Investment Notes") which will automatically convert to new African Pioneer Plc ordinary shares constituting 15 per cent. of the Company's enlarged share capital on Standard Listing. If the Company's Standard Listing has not occurred by 31 July 2021, then the Sandfire Investment Notes shall be automatically and immediately cancelled and the US\$500,000 invested by Sandfire will not be repayable by the Company, the effect of which is that the Company will not in any circumstances be required to repay the US\$500,000 received from Sandfire under the Sandfire Investment Notes.

For these reasons, the Directors continue to adopt the going concern basis in producing the financial statements. Should this financial support not be available, the going concern basis would be inappropriate and adjustments would have to be made to revise the value of assets to their net realisable amounts and to provide for any further liabilities which might arise.

### **Functional and presentational currency**

The presentation and functional currency of the Company is Sterling. There have been no foreign currency effects in the period.

### **Expenses**

All Expenses are accounted for on an accruals basis. Expenses are charged to the statement of comprehensive income except for expenses incurred on the acquisition of an investment, which are included within the cost of that investment, expenses arising on the disposal of investments are deducted from the disposal proceeds.

### **Cash and cash equivalents**

This consists of cash held in the Company's bank account.

### **Financial liabilities**

The Company has financial liabilities consisting of trade payables and accrued expenses which are non-derivative financial liabilities recognised at amortisation cost.

### **Taxation**

The Company is subject to taxation in the Isle of Man in the period at a rate of 0 per cent. and accordingly, interest and gains payable to the Company are received by the Company without any deduction relating to Isle of Man taxed.

### **Earnings per share**

The earnings per share are calculated by dividing the net result attributed to the equity shareholders by the weighted average number of participating shares in issue in the period.

### **Geographical segments**

A segment is a distinguishable component of the Company that is engaged either in providing products or services (business segment) or in providing products or services within a particular economic environment (geographical segment), which is subject to risk and rewards that are different from those of other segments. The internal management reporting used by the chief operating decision maker consists of one segment. Hence in the opinion of the directors, no separate disclosures are required under IFRS 8. The Company's revenue in the year is not material and consequently no geographical segment information has been disclosed.

## **Financial Risk Management**

The Company's objective is to achieve capital growth through investing in selection of equity and other instruments. The Company's financial instruments comprise:

- Available-for-sale investments
- Cash, short-term receivables and payables

Throughout the period under review, it was the Company's policy that no trading in derivatives shall be undertaken. The main financial risks arising from the Company's financial instruments are market price risk and liquidity risk. The Board regularly reviews and agrees policies for managing each of these risks and they are summarised below. These policies have remained constant throughout the period.

### **Market risk**

Market risk consists of interest rate risk, foreign currency risk and other price risk. There are no foreign currency exposures. Hence, no foreign currency risk. It is the Board's policy to maintain an appropriate spread of investments in the portfolio whilst maintaining the investment policy and aims of the Company. The Investment Committee actively monitors market prices and other relevant information throughout the year and reports to the Board, who is ultimately responsible for the Company's investment policy.

### **Interest rate risk**

Changes in interest rates would affect the Company returns from its cash balances. A floating rate of interest, which is linked to bank base rates, is earned on cash deposits. The exposure to cash flow interest rate risk at 31 December 2020 for the Company was £87,462 (2019: £1,576, 2018: £23,494). As the Company does not have any borrowings and finances its operations through its share capital and retained revenues, it does not have any interest rate risk except in relation to cash balances.

### **Other price risk**

Other price risk which comprises changes in market prices other than those arising from interest rate risk or currency risk may affect the value of quoted and unquoted equity investments. The Board of directors manages the market price risks inherent in the investment portfolio by regularly monitoring price movements and other relevant market information. The Company accounts for movements in the fair value of its available-for-sale financial assets in other comprehensive income. A 5 per cent. change in prices of investments would result in increase/(decrease) of £4,955 in value of investments (2019: £5,323, 2018 £6,636).

### **Liquidity risk**

The Company maintains appropriate cash reserves and the majority of the Company's assets comprise of realisable securities, most of which can be sold to meet funding requirements, if necessary. Given the Company's cash reserves, it has been able to settle all liabilities on average within 1 month.

### **Credit risk**

The risk of counterparty's failure to discharge its obligations under a transaction that could result in the Company suffering a loss is minimal. The Company holds its cash balances with a reputable bank and only transacts with regulated institutions on normal market terms.

The credit rating bands are provided by independent ratings agencies:

	<i>Not rated/ not readily available</i>	<i>Total</i>
As at 31 December 2020		
Cash and cash equivalents	87,462	87,462
<b>Total assets subject to credit risk</b>	<b>87,462</b>	<b>87,462</b>

	<i>Not rated/ not readily available</i>	<i>Total</i>
<i>As at 31 December 2019</i>		
Cash and cash equivalents	1,576	1,576
<b>Total assets subject to credit risk</b>	<b>1,576</b>	<b>1,576</b>

	<i>Not rated/ not readily available</i>	<i>Total</i>
<i>As at 31 December 2018</i>		
Cash and cash equivalents	23,494	23,494
<b>Total assets subject to credit risk</b>	<b>23,494</b>	<b>23,494</b>

### **Financial liabilities**

There are no currency or interest rate risk exposures on financial liabilities as they are denominated in £ Sterling.

### **Capital management**

The Company actively reviews its issued share capital and reserves and manages its capital requirements in order to maintain an efficient overall financing structure whilst avoiding any leverage.

## **2 Directors Emoluments**

Other than directors, there were no employees in the year.

	<i>31-Dec-20</i>	<i>31-Dec-19</i>	<i>31-Dec-18</i>
	£	£	£
Colin Bird	–	–	(14,340)
Raju Samtani	–	–	(14,865)
James Cunningham-Davis	3,600	3,600	3,600
<b>Total</b>	<b>3,600</b>	<b>3,600</b>	<b>(25,605)</b>

## **3 Earnings Per Share**

	<i>31-Dec-20</i>	<i>31-Dec-19</i>	<i>31-Dec-18</i>
(Loss)/Profit after tax for the purposes of earnings per share attributable to equity shareholders	(£90,156)	(£55,286)	(£100,032)
Weighted average number of shares	11,729,826	117,298,260	117,298,260
Basic loss per ordinary share (pence)	(0.77)	(0.05)	(0.09)

The use of the weighted average number of shares in issue in the period recognises the variations in the number of shares throughout the period and is in accordance with IAS 33. During the year, the company consolidated 10 existing shares to 1 (note 11).

#### 4 Available for Sale Investments

	31-Dec-20 £	31-Dec-19 £	31-Dec-18 £
Investments at fair value 1 January	106,469	132,710	262,796
Additions	–	–	26,507
Disposals	(63,888)	–	(54,730)
Movements in fair value	56,524	(26,421)	(101,863)
<b>Investments at fair value at 31 December</b>	<b>99,105</b>	<b>106,469</b>	<b>132,710</b>

The bookcost of the investments at 31 December 2020 was £107,090 (2019: £252,588, 2018: £252,588).

#### 5 Trade and other Receivables

	31-Dec-20 £	31-Dec-19 £	31-Dec-18 £
Prepayments	420	420	420
Other debtors	–	–	–
<b>Total</b>	<b>1,768</b>	<b>420</b>	<b>420</b>

#### 6 Trade and other payables

	31-Dec-20 £	31-Dec-19 £	31-Dec-18 £
Creditors	26,953	5,020	4,931
Accrued expenses	5,392	6,500	3,523
Bridging loan facility from parent	18,385	–	–
<b>Total</b>	<b>50,730</b>	<b>11,520</b>	<b>8,454</b>

#### 7 Loans

As at 31 December the company owed £100,000 (2018: £100,000, 2017: £nil) to Tiger Resource Plc, the ultimate parent company (note 11). This amount is unsecured, interest free and is repayable at such time as the company has cash balances which enable it to make payments, and in any event, on 20 June 2028.

IFRS9 requires that loans provided or received at below market rates of interest be measured at the present value of the future cash receipts or payments discounted at a market rate of interest for a similar debt instrument. The amount due to the ultimate parent company was discounted to net present value using the effective interest method and the directors have determined the company's effective interest rate to be 10 per cent.

	31-Dec-20	31-Dec-19	31-Dec-18
Net present value of loan classified as non-current liability –			
at inception	38,554	38,554	38,554
Loan classified as equity contribution in accordance with IFRS9	61,445	61,445	61,445
	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>

	31-Dec-20	31-Dec-19	31-Dec-18
Net present value of loan classified as non-current liability –			
at inception	38,554	38,554	38,554
Interest for prior years	6,121	2,060	–
Interest for the year	4,468	4,061	2,060
<b>Total at year end</b>	<b>49,143</b>	<b>44,675</b>	<b>40,614</b>

On 21 October 2020, the Company entered into a convertible loan note agreement with Sanderson Capital Partners (“Sanderson”) for a total investment of £150,000. Sanderson advanced the sum of £125,000 under this agreement prior to 31 December 2020 and the balancing £25,000 was received by the Company on 4 February 2021. In accordance with IAS 32, this has been classified as equity.

The loan notes do not have a fixed term and carry a zero coupon rate. The loan notes may be converted by Sanderson into Ordinary shares of zero par value at any time at a conversion price 1.75p per share but in any case, no later than when the Company has listed its shares on a recognised exchange. Upon listing, Sanderson will receive one warrant per each share received on conversion of the loan notes into Ordinary share in African Pioneer Plc to subscribe for shares at a strike price being the lower of 3.5 pence or the listing price of the shares. These warrants will be valid for a period of 3 years from the date of issue of the convertible loan note.

### **Equity Contribution**

	31-Dec-20	31-Dec-19	31-Dec-18
Loan classified as equity contribution in accordance with IFRS9	61,445	61,445	61,445
Loan notes subscribed during the year	125,000	–	–
	<b>186,446</b>	<b>61,445</b>	<b>61,445</b>

### **8 Called up share capital**

The share capital of African Pioneer Plc consists only of fully paid ordinary shares with no par value. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at shareholders' meetings of the Company.

	2020 Number	£
<b>Authorised:</b>		
1,000,000,000 ordinary shares of no par value	500,000,000	n/a
<b>Shares in issue at 31 December 2020</b>	<b>11,729,826</b>	<b>452,983</b>

On 7 December 2020, the Company consolidated its Ordinary shares of zero par value on a 10 existing shares to 1 new share basis which resulted in a reduction of the total number of Ordinary shares in issue from 117,298,260 to 11,729,826 Ordinary shares of zero par value.

On the same date, the Company also increased its authorised shared capital from 500,000,000 shares to 1,000,000,000 shares.

The total number of authorised shares in 2019 and 2018 was 500,000,000 and total issued was 117,298,260. Ordinary share capital was £452,983 for 31-Dec-20, 31-Dec-19 and 31-Dec-18.

### **9 Taxation**

The Company is subject to Isle of Man income tax at 0 per cent., has suffered no taxation in other jurisdictions, and has no capital allowances or deferred tax implications. Accordingly, the Directors have made no provision for taxation charges or liabilities and have not presented the formal reconciliation required under IAS 12.

## **10 Related Party Transactions**

- (1) Cavendish Trust Company Limited (CTC) provides company administration and secretarial services to the Company on normal commercial terms as part of their normal business activity. As such it is not normally treated as a related party. Fees paid to CTC during the year include £3,600 (2019: £3,600, 2018: £3,600), relating to director's fees for the services of J. Cunningham-Davis, a director of CTC. At the year-end a balance of £900 (2019: £900, 2018: £900), was outstanding.
- (2) Lion Mining Finance Limited, a company in which Colin Bird is director and shareholder, has provided financial and technical services to the Company amounting to £9,000 plus VAT in the year (2019 – £9,000 plus VAT, 2018 – £9,000 plus VAT). At the year-end a balance of £900 (2019: £900, 2018: £900) was outstanding. The Board considers this transaction to be on normal commercial terms and on an arm's length basis.
- (3) On 20 June 2018, the Company entered into a loan agreement with its parent company, Tiger Royalties and Investments Plc and was advanced the sum of £100,000 under this agreement to settle outstanding fees due to the Company's directors. See note 10 for the terms of the loan. The amount was paid directly to its directors (£50,000 each to Raju Samtani and Colin Bird).
- (4) On 28 January 2021, the Company entered into a loan agreement with its parent company, Tiger Royalties and Investments Plc for a bridging loan facility of up to £140,000. See note 7 for details of the terms for this loan. A pre-existing amount of £18,385 outstanding as at 31 December 2020 was included in the 28 January 2021 facility. A further sum of £112,981 was advanced on 29 January 2021 (post year-end) under this facility.

## **11 Controlling Party**

As disclosed in the Directors' Report, Tiger Royalties and Investments Plc (a United Kingdom AIM listed company) holds 50.75 per cent. of the shares in issue, and as such is the ultimate controlling party and immediate parent of the Company. Consolidated financial statements for the parent are available at [www.tiger-rf.com](http://www.tiger-rf.com). On 23 July 2020, the parent company changed its name from Tiger Resource Finance Plc to Tiger Royalties and Investments Plc.

## **12 Exploration Investments Entered into During the Period which have not yet Closed**

### **(A) Purchase of Namibian exploration assets**

On 29 October 2020, African Pioneer Plc entered into a sale and purchase agreement to acquire a 100 per cent. interest in Zamcu Exploration Pty Ltd ("Zamcu"), which via its subsidiaries Manmar Investments One Hundred & Twenty Nine (Pty) Limited ("Manmar 129") and Manmar Investments One Hundred & Thirty Six (Pty) Limited ("Manmar 136") holds a 70 per cent. interest in two Namibian Prospecting Licenses comprising of EPL 5772 (Ongombo) and EPL 6011 (Ongeama). Both licences are located within the Matchless amphibolite Belt of central Namibia.

These acquisitions are conditional *inter alia* on the Company's shares being admitted on the Official List by way of a Standard Listing.

The consideration for these acquisitions is to be satisfied by the issue on listing of:

- (i) 10,000,000 APP Shares to Zamcu shareholders.
- (ii) A total of approximately 4,742,857 APP Shares to Manmar 129 and Manmar 136 shareholders.
- (iii) Approximately 4,900,000 APP Shares to Avanti Resources Pty Ltd as trustee for the Marlow Super Fund pursuant to an introduction mandate agreement.

The total consideration for the acquisition of the above Namibian Prospecting Licences including the sum of AUS\$ 200,000 which was paid by the company to Manmar 129 and Manmar 136 shareholders on 29 January 2021 and a further amount of AU\$64,000 on 9 April 2021 will amount to £835,148, at specified exchange rates, assuming a valuation of 3.5 pence per APP ordinary share on listing.

(B) **Purchase of Zambian exploration assets**

On 25 November 2020, African Pioneer Plc entered into a sale and purchase agreement to acquire an 80 per cent. interest in African Pioneer Zambia Limited which holds a 100 per cent. interest in four Zambian Prospecting Licenses (27771 HQ-LEL, 27770 HQ-LEL, 27768 HQ-LEL and 27767 HQ-LEL) located in the Central African Copperbelt and one Prospecting Licence (27769 HQ-LEL) located in the Zambezi Belt.

The above acquisitions are conditional *inter alia* on the Company's shares being admitted on the Official List by way of Standard Listing.

The total consideration for the acquisition of the Zambian Prospecting Licences will be satisfied by the issue of 55,000,000 new APP ordinary shares and will amount to £1,925,000 assuming a price of 3.5 pence per APP ordinary share on listing.

(C) **Purchase of Botswana Prospecting Licences**

On 29 October 2020 African Pioneer Plc entered into a sale and purchase agreement to acquire a 100 per cent. interest of Resource Capital Partners Pty Ltd which holds a 100 per cent. interest in six Prospecting Licences (PLs 96, 98 and 100, 101, 102 and 103/2020) located in the Kalahari Copperbelt and a further two Prospecting Licences (PLs 97 and 99/2020) located in the Limpopo Mobile Belt in Botswana.

This acquisition is conditional *inter alia* on the Company's shares being admitted on the Official List by way of Standard Listing.

The total consideration for the acquisition of the Botswanan Prospecting Licences will be satisfied by the issue of 10,000,000 new APP ordinary shares and will amount to £350,000 assuming a price of 3.5 pence per APP ordinary share on listing.

## 16. Post Balance Sheet Events

(A) **Conditional sale of Botswana Prospecting Licences**

On 12 March 2021 African Pioneer Plc entered into a conditional licence sale agreement with ASX listed Sandfire (the "**Conditional Botswana Licence Sale Agreement**") which provides for the following:

- (a) The Sale of licences: the sale to Sandfire of the 8 Botswana licences (the "**Botswana Licences**") being acquired at Standard Listing by the acquisition of Resources Capital Partners (Pty) Limited (as detailed in note 15 – C above) for an aggregate consideration of US\$1M (being a Guarantee Fee of US\$250,000 and a Licence Purchase Price of US\$750,000) of which US\$0.5M will be paid in cash (the "**Cash Consideration**") and US\$0.5M by the issue by Sandfire of its ordinary shares to APP (the "**Consideration Shares**") at an issue price per share based on the 10 day volume weighted average price (VWAP) of the Sandfire share price as at the date before the signing of the Sandfire Conditional Botswana Licence Sale Agreement;
- (b) An Exploration Commitment: Sandfire to spend US\$1M on the Licences (the "**Exploration Commitment**") within two years of settlement (the "**Exploration Period**") and if the US\$1 million is not spent any shortfall will be paid to African Pioneer;
- (c) A Success Payment: a success payment to be paid to APP for the first ore reserve reported under The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC) 2012 edition on the Licences which exceeds 200,000 tonnes of contained copper (the "**First Ore Reserve**") in the range of US\$10 million to US\$80 million depending on the copper ore in the First Ore Reserve (the "**Success Payment**"). Sandfire have the option to elect to settle the Success Payment, if due, by the issue of Sandfire shares based on the 10 day VWAP of Sandfire shares at the time of announcing an Ore Reserve that triggers the Success Payment. Given the limited exploration conducted on the Botswana licenses to date and the many years that it could take to establish and ore reserve that there can be no guarantee that any such Success Payment will be forthcoming;

- (d) Conditions Precedents: The conditions precedent to be completed unless indicated otherwise by the long stop date of 30 September 2021 are as follows:
  - a. The parties having executed the Convertible Loan Note Share Subscription Agreement as detailed in Note 15 – E below;
  - b. The Company providing, at least 5 Business Days prior to the Settlement Date:
    - i. ministerial consent for the transfer of the Licences;
    - ii. all ASX and LSE regulatory approvals;
    - iii. bank details for the payment of the Licence Purchase Price and the Guarantee Fee;
    - iv. approval of the acquisition of the Licences by the Competition Authority of Botswana (or confirmation from such authority or from either party's Botswana legal counsel that such approval is not required); and
    - v. duly executed transfer applications for the Licences in the form required by the Mining Act or the Department under which a 100 per cent. interest in the Licences may be transferred to the Purchaser.
  - c. the Standard Listing having occurred by 31 July 2021. If Standard Listing has not occurred by 31 July 2021 then the long stop date of 30 September 2021 shall automatically be extended to 31 December 2021 (the "Long Stop Date") and the Cash Consideration shall not be payable.
- (e) Completion and Standard Listing not occurring by Long Stop Date. If both i) completion of the Conditional Botswana Licence Sale Agreement and ii) Standard Listing have not occurred, by the Long Stop Date then APP will be due to pay Sandfire US\$500,000 by way of a cancellation fee.

**Rationale for Conditional Botswana Licence Sale Agreement:** APP has seen this as an opportunity for Sandfire to take over ownership and responsibility for the exploration stage of the Botswanan Projects whilst allowing APP to share in the potential upside should the exploration ultimately be successful in establishing a mineable reserve. Sandfire has the in-country infrastructure and technical expertise and financial resources to accelerate the rate of expenditure on the Botswanan assets.

**(B) *US\$500,000 Investment by Sandfire Resources Limited into African Pioneer Plc***

On 11 March 2021, African Pioneer Plc entered into a Convertible Loan Note Share Subscription Agreement (the "**Sandfire Investment Agreement**") with Sandfire. Following this agreement Sandfire has now subscribed for US\$500,000 interest free unsecured loan notes ("**Sandfire Investment Notes**") which will automatically be convertible upon Standard Listing into APP ordinary shares constituting 15 per cent. of the Company's enlarged share capital.

Pursuant to the Sandfire Investment Agreement, upon conversion, Sandfire has the right to nominate a director to the Board of the Company whilst their shareholding remains at or above 15 per cent. of the issued share capital of African Pioneer. If the Standard Listing has not occurred by 31 July 2021, then the Sandfire Investment Notes will be automatically and immediately cancelled and the US\$500,000 invested by Sandfire will not be repayable by the Company

Additionally, Sandfire will have the right to participate in all future share offerings by African Pioneer as subscribers so as to maintain its African Pioneer shareholding at 15 per cent., irrespective of any disapplication or non-application of pre-emption rights. The African Pioneer Shares issued to Sandfire at Standard Listing will be subject to a 12 month lock-in during which the African Pioneer ordinary shares are not permitted to be sold, followed by a 12 month orderly markets period during which Sandfire are required to work with the African Pioneer's broker for 10 days prior to making any sale.

## SECTION B.1: ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF AFRICAN PIONEER ZAMBIA LIMITED



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26 May 2021

The Directors  
African Pioneer Plc  
34 North Quay  
Douglas  
Isle of Man  
IM1 4 LB1

The Directors  
Beaumont Cornish Limited  
Building 3  
566 Chiswick High Road  
London  
W4 5YA

Dear Sirs

***African Pioneer Plc ("the Company" or "APP")***

***African Pioneer Zambia Limited ("APZ")***

**Placing of 50,000,000 Placing Shares at a Placing Price of 3.5 pence per share Admission of the Enlarged Issued Share Capital of the Company to the Official List (by way of a Standard Listing under Chapter 14 of the Listing Rules) and to trading on the main market for listed securities of the London Stock Exchange ("the Transaction")**

### Introduction

We report on the historical financial information set out in Section B.2 of this *Part X – Historical Financial*

*Information of the Group* of the prospectus (the "**Prospectus**") relating to African Pioneer Zambia Limited. This covers the period from incorporation of APZ on 23 September 2020 to 29 October 2020. This information has been prepared for inclusion in the Prospectus dated 26 May 2021 prepared in connection with the Transaction and on the basis of the accounting policies set out in note 1. This report is required by Annex 1, section 18, item 18.3.1 of the UK version of the Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CDR**") and is given for the purpose of complying with that requirement and for no other purpose.

### Responsibility

The directors of the Company (the "**Directors**") are responsible for preparing the APZ Historical Financial Information on the basis of preparation set out in the notes to the APZ Historical Financial Information and in accordance with International Financial Reporting Standards ("**IFRS**") as adopted by the European Union.

It is our responsibility to form an opinion on the APZ Historical Financial Information, and to report our opinion to you. Save for any responsibility we may have to those persons to whom this report is expressly addressed as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Annex 1, section 18, item 18.3.1 of the UK CDR, consenting to its inclusion in the Prospectus.

### **Basis of opinion**

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the APZ Historical Financial Information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the APZ Historical Financial Information and whether the accounting policies are appropriate and consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the APZ Historical Financial Information is free from material misstatement whether caused by fraud or other irregularity or error.

### **Opinion**

In our opinion, the APZ Historical Financial Information gives, for the purpose of the Prospectus dated 26 May 2021, a true and fair view of the state of affairs of African Pioneer Zambia Limited as at 29 October 2020, and of its results, cash flows and changes in equity for the period then ended in accordance with the applicable financial reporting framework and has been prepared in a form that is consistent with the accounting policies adopted by the Company.

### **Declaration**

For the purposes of Prospectus Regulation Rule 5.3.2R(2)(f) we are responsible for this report as part of the Document and declare that, to the best of our knowledge, the information contained in this report, for which we are responsible, is in accordance with the facts and that this report makes no omission likely to affect its import. This declaration is included in the Document in compliance with item 1.2 of Annex 1 to the UK CDR.

Yours faithfully

A handwritten signature in black ink that reads "Shipleys LLP". The "S" is large and stylized, followed by "Shipleys" and "LLP" in a smaller, more standard font.

**Shipleys LLP**  
*Reporting Accountants*

**SECTION B.2: HISTORICAL FINANCIAL INFORMATION OF AFRICAN PIONEER  
ZAMBIA LIMITED**

**African Pioneer Zambia Limited Statement of Comprehensive Income  
as at 29 October 2020**

	29-Oct-20 ZMK
Revenue	—
Total income	—
Administrative expenses:	—
Expenses	—
Total expenses	—
OPERATING (LOSS) FOR THE PERIOD	—
Taxation	—
<b>NET PROFIT / (LOSS) FOR THE PERIOD</b>	—
<b>Other comprehensive income</b>	—
<b>Total comprehensive income / (loss)</b>	—

**African Pioneer Zambia Limited Statement of Financial Position  
as at 29 October 2020**

	29-Oct-20 ZMK
<b>CURRENT ASSETS</b>	
Other debtors	20,625
<b>Total Current Assets</b>	20,625
<b>TOTAL ASSETS</b>	20,625
<b>CURRENT LIABILITIES</b>	
Trade and other payables	—
<b>Total Current Liabilities</b>	—
<b>NET ASSETS / (LIABILITIES)</b>	20,625
<b>EQUITY</b>	
Share capital	20,625
Retained earnings	—
<b>TOTAL EQUITY</b>	20,625

**African Pioneer Zambia Limited Statement of Changes in Equity  
as at 29 October 2020**

	<i>Share Capital ZMK</i>	<i>Retained Earnings ZMK</i>	<i>Total Equity ZMK</i>
<b>As at 23 September 2020</b>			
Profit / (loss) for the year	–	–	–
Share issue	20,625	–	20,625
<b>As at 29 October 2020</b>	<u><u>20,625</u></u>	<u><u>–</u></u>	<u><u>20,625</u></u>

**African Pioneer Zambia Limited Statement of Cash Flows  
as at 29 October 2020**

29-Oct-20  
ZMK

**Cash Flow from Operations**

(Loss)/Profit before taxation	
<i>Adjustments for</i>	
Increase in receivables	<u>(20,625)</u>

**Net cash outflow from operating activities**

(20,625)

**Cash flow from financing activities**

Shares issued	<u>20,625</u>
---------------	---------------

**Net cash outflow from financing activities**

20,625

**Net increase/(decrease) in cash and cash equivalents in the period**

–

Cash and cash equivalents at the beginning of the period

–

**Cash and cash equivalents at the end of the period**

–

## SECTION C.1: ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF RESOURCE CAPITAL PARTNERS (PROPRIETARY) LIMITED



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26 May 2021

The Directors  
African Pioneer Plc  
34 North Quay  
Douglas  
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IM1 4 LB

The Directors  
Beaumont Cornish Limited  
Building 3  
566 Chiswick High Road  
London  
W4 5YA

Dear Sirs

**African Pioneer Plc ("the Company" or "APP")**

**Resource Capital Partners (Proprietary) Limited**

**Placing of 50,000,000 Placing Shares at a Placing Price of 3.5 pence per share Admission of the Enlarged Issued Share Capital of the Company to the Official List (by way of a Standard Listing under Chapter 14 of the Listing Rules) and to trading on the main market for listed securities of the London Stock Exchange ("the Transaction")**

### Introduction

We report on the historical financial information set out in Section C.2 of this *Part X – Historical Financial Information of the Group* of the prospectus (the "**Prospectus**") relating to Resource Capital Partners (Proprietary) Limited ("RCP"). This covers the period from incorporation of RCP on 27 May 2020 to 29 October 2020. This information has been prepared for inclusion in the Prospectus dated 26 May 2021 prepared in connection with the Transaction and on the basis of the accounting policies set out in note 1. This report is required by Annex 1, section 18, item 18.3.1 of the UK version of the Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 (the "UK CDR") and is given for the purpose of complying with that requirement and for no other purpose.

### Responsibility

The directors of the Company (the "**Directors**") are responsible for preparing the RCP Historical Financial Information on the basis of preparation set out in the notes to the RCP Historical Financial Information and in accordance with International Financial Reporting Standards ("**IFRS**") as adopted by the European Union.

It is our responsibility to form an opinion on the RCP Historical Financial Information, and to report our opinion to you. Save for any responsibility we may have to those persons to whom this report is expressly addressed as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given

solely for the purposes of complying with Annex 1, section 18, item 18.3.1 of the UK CDR, consenting to its inclusion in the Prospectus.

### **Basis of opinion**

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the RCP Historical Financial Information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the RCP Historical Financial Information and whether the accounting policies are appropriate and consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the APP Historical Financial Information is free from material misstatement whether caused by fraud or other irregularity or error.

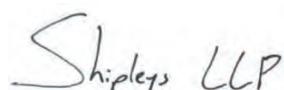
### **Opinion**

In our opinion, the RCP Historical Financial Information gives, for the purpose of the Prospectus dated 26 May 2021, a true and fair view of the state of affairs of Resource Capital Partners (Proprietary) Limited as at 29 October 2020 and of its results, cash flows and changes in equity for the period then ended in accordance with the applicable financial reporting framework and has been prepared in a form that is consistent with the accounting policies adopted by the Company.

### **Declaration**

For the purposes of Prospectus Regulation Rule 5.3.2R(2)(f) we are responsible for this report as part of the Document and declare that, to the best of our knowledge, the information contained in this report, for which we are responsible, is in accordance with the facts and that this report makes no omission likely to affect its import. This declaration is included in the Document in compliance with item 1.2 of Annex 1 to the UK CDR.

Yours faithfully

A handwritten signature in black ink that reads "Shipleys LLP". The signature is fluid and cursive, with "Shipleys" on the top line and "LLP" on the bottom line.

**Shipleys LLP**

*Reporting Accountants*

**SECTION C.2: HISTORICAL FINANCIAL INFORMATION OF RESOURCE CAPITAL  
PARTNERS (PROPRIETARY) LIMITED**

**Resource Capital Partners (Proprietary) Limited Statement of Comprehensive Income  
as at 29 October 2020**

	29-Oct-20 BWP
Revenue	—
Total income	—
Administrative expenses:	
Expenses	(3,000)
Total expenses	(3,000)
OPERATING (LOSS) FOR THE PERIOD	(3,000)
Taxation	—
<b>NET PROFIT / (LOSS) FOR THE PERIOD</b>	(3,000)
<b>Other comprehensive income</b>	—
<b>Total comprehensive income / (loss)</b>	<u><u>(3,000)</u></u>

**Resource Capital Partners (Proprietary) Limited Statement of Financial Position  
as at 29 October 2020**

	29-Oct-20 BWP
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	—
<b>Total Current Assets</b>	—
<b>TOTAL ASSETS</b>	—
<b>CURRENT LIABILITIES</b>	
Trade and other payables	—
<b>Total Current Liabilities</b>	—
<b>NET ASSETS / (LIABILITIES)</b>	<u><u>—</u></u>
<b>EQUITY</b>	
Share capital	3,000
Retained earnings	(3,000)
<b>TOTAL EQUITY</b>	<u><u>—</u></u>

**Resource Capital Partners (Proprietary) Limited Statement of Changes in Equity  
as at 29 October 2020**

	Share Capital BWP	Retained Earnings BWP	Total Equity BWP
<b>As at 27 May 2020</b>	–	–	–
Profit / (loss) for the year	–	(3,000)	(3,000)
Share issue	3,000	–	3,000
<b>As at 31 August 2020</b>	<u>3,000</u>	<u>(3,000)</u>	<u>–</u>

**Resource Capital Partners (Proprietary) Limited Statement of Cash Flows  
as at 29 October 2020**

	29-Oct-20 BWP
<b>Cash Flow from Operations</b>	
(Loss)/Profit before taxation	(3,000)
<i>Adjustments for</i>	
Increase in payables	–
<b>Net cash outflow from operating activities</b>	<u>(3,000)</u>
<b>Cash flow from financing activities</b>	
Shares issued	3,000
<b>Net cash outflow from financing activities</b>	<u>3,000</u>
<b>Net increase/(decrease) in cash and cash equivalents in the period</b>	<u>–</u>
Cash and cash equivalents at the beginning of the period	–
<b>Cash and cash equivalents at the end of the period</b>	<u>–</u>

**Resource Capital Partners (Proprietary) Limited Notes to the Financial Statements  
as at 29 October 2020**

**Note 1: Accounting Policies**

The financial report covers the Company of Resource Capital Partners (Proprietary) Limited, a proprietary limited company, incorporated and domiciled in Botswana.

The financial report was authorised for issue on 29 October 2020 by the Board of Directors.

**The accounting standards are not equivalent to Regulation (EC) No 1606/2002 and therefore the figures in the financial statements have been restated in accordance with International Financial Reporting Standards as endorsed in the Union based on Regulation (EC) No 1606/2002.**

**Going Concern**

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

The Company has consistently applied the following accounting policies to all periods presented in the financial statements.

(a) **Revenue Recognition**

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(b) **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand and deposits held at call with banks.

(c) **Contributed Equity**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(d) **Trade and Other Payables**

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

**Note 2: Income Tax**

No income tax is payable by the Company as it recorded losses for income tax purposes for the period.

**Note 3: Contributed Equity**

Paid up capital

3,000 ordinary shares

**Note 4: Events Subsequent to Reporting Date**

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the Company's operations or the state of affairs of the Company in future financial periods.

**Note 5: Contingent Liabilities**

There are no contingent liabilities at reporting date.

**Note 6: Controlled Entities**

There are no controlled entities at reporting date.

## SECTION D.1: ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF ZAMCU EXPLORATION PTY LTD



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26 May 2021

The Directors  
African Pioneer Plc  
34 North Quay  
Douglas  
Isle of Man  
IM1 4 LB

The Directors  
Beaumont Cornish Limited  
Building 3  
566 Chiswick High Road  
London  
W4 5YA

Dear Sirs

**African Pioneer Plc ("the Company" or "APP")**

**Zamcu Exploration Pty Ltd**

**Placing of 50,000,000 Placing Shares at a Placing Price of 3.5 pence per share Admission of the Enlarged Issued Share Capital to the Official List (by way of a Standard Listing under Chapter 14 of the Listing Rules) and to trading on the main market for listed securities of the London Stock Exchange ("the Transaction")**

### Introduction

We report on the historical financial information set out in Section D.2 of this *Part X – Historical Financial Information of the Group* of the prospectus (the "**Prospectus**") relating to Zamcu Exploration Pty Ltd ("Zamcu"). Zamcu was incorporated on 13 November 2018, and the historical financial information covers the period from incorporation to 30 June 2019, the year to 30 June 2020, and the period to 29 October 2020. This information has been prepared for inclusion in the Prospectus dated 26 May 2021 prepared in connection with the Transaction and on the basis of the accounting policies set out in note 1. This report is required by Annex 1, section 18, item 18.3.1 of the UK version of the Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 (the "UK CDR") and is given for the purpose of complying with that requirement and for no other purpose.

### Responsibility

The directors of the Company (the "**Directors**") are responsible for preparing the Zamcu Historical Financial Information on the basis of preparation set out in the notes to the Zamcu Historical Financial Information and in accordance with International Financial Reporting Standards ("**IFRS**") as adopted by the European Union.

It is our responsibility to form an opinion on the Zamcu Historical Financial Information, and to report our opinion to you. Save for any responsibility we may have to those persons to whom this report is expressly addressed as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other

person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Annex 1, section 18, item 18.3.1 of the UK CDR, consenting to its inclusion in the Prospectus.

### **Basis of opinion**

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the Zamcu Historical Financial Information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the Zamcu Historical Financial Information and whether the accounting policies are appropriate and consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the APP Historical Financial Information is free from material misstatement whether caused by fraud or other irregularity or error.

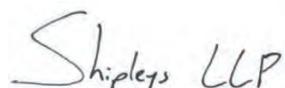
### **Opinion**

In our opinion, the Zamcu Historical Financial Information gives, for the purpose of the Prospectus dated 26 May 2021, a true and fair view of the state of affairs of Zamcu Exploration Pty Ltd as at 29 October 2020, 30 June 2020, 30 June 2019 and of its results, cash flows and changes in equity for the period then ended in accordance with the applicable financial reporting framework and has been prepared in a form that is consistent with the accounting policies adopted by the Company.

### **Declaration**

For the purposes of Prospectus Regulation Rule 5.3.2R(2)(f) we are responsible for this report as part of the Document and declare that, to the best of our knowledge, the information contained in this report, for which we are responsible, is in accordance with the facts and that this report makes no omission likely to affect its import. This declaration is included in the Document in compliance with item 1.2 of Annex 1 to the UK CDR.

Yours faithfully

A handwritten signature in black ink that reads "Shipleys LLP". The signature is fluid and cursive, with "Shipleys" on the top line and "LLP" on the bottom line.

**Shipleys LLP**

*Reporting Accountants*

## SECTION D.2: FINANCIAL INFORMATION OF ZAMCU EXPLORATION PTY LTD

### Zamcu Exploration Pty Ltd Statement of Comprehensive Income as at 29 October 2020, 30 June 2020 and 30 June 2019

	29-Oct-20 AUD	30-Jun-20 AUD	30-Jun-19 AUD
Revenue	—	—	—
Total income	—	—	—
Administrative expenses:			
Formation costs	—	—	(595)
Total expenses	—	—	(595)
OPERATING (LOSS) FOR THE PERIOD	—	—	(595)
Taxation	—	—	—
<b>NET PROFIT / (LOSS) FOR THE PERIOD</b>	—	—	(595)
<b>Other comprehensive income</b>	—	—	—
<b>Total comprehensive income / (loss)</b>	—	—	(595)

### Zamcu Exploration Pty Ltd Statement of Financial Position as at 29 October 2020, 30 June 2020 and 30 June 2019

	29-Oct-20 AUD	30-Jun-20 AUD	30-Jun-19 AUD
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	—	—	—
<b>Total Current Assets</b>	—	—	—
<b>TOTAL ASSETS</b>	—	—	—
<b>CURRENT LIABILITIES</b>			
Trade and other payables	(495)	(495)	(495)
<b>Total Current Liabilities</b>	(495)	(495)	(495)
<b>NET ASSETS / (LIABILITIES)</b>	(495)	(495)	(495)
<b>EQUITY</b>			
Share capital	100	100	100
Retained earnings	(595)	(595)	(595)
<b>TOTAL EQUITY</b>	(495)	(495)	(495)

**Zamcu Exploration Pty Ltd Statement of Changes In Equity  
as at 29 October 2020, 30 June 2020 and 30 June 2019**

	Share Capital AUD	Retained Earnings AUD	Total Equity AUD
<b>As at 13 November 2018</b>	—	—	—
Profit / (loss) for the year	—	(595)	(595)
Share issue	100	—	100
<b>As at 30 June 2019</b>	100	(595)	(495)
<b>As at 1 July 2019</b>	100	(595)	(495)
Profit / (loss) for the year	—	—	—
<b>As at 30 June 2020</b>	100	(595)	(495)
Profit / (loss) for the year	—	—	—
<b>As at 29 October 2020</b>	100	(595)	(495)

**Zamcu Exploration Pty Ltd Statement of Cash Flows  
as at 29 October 2020, 30 June 2020 and 30 June 2019**

	29-Oct-20 AUD	30-Jun-20 AUD	30-Jun-19 AUD
<b>Cash Flow from Operations</b>			
(Loss)/Profit before taxation	—	—	(595)
<i>Adjustments for</i>			
Increase in payables	—	—	495
<b>Net cash outflow from operating activities</b>	—	—	(100)
<b>Cash flow from financing activities</b>			
Shares issued			100
<b>Net cash outflow from financing activities</b>	—	—	100
<b>Net increase/(decrease) in cash and cash equivalents in the period</b>	—	—	—
Cash and cash equivalents at the beginning of the period	—	—	—
<b>Cash and cash equivalents at the end of the period</b>	—	—	—

**Zamcu Exploration Pty Ltd Notes to the Financial Statements  
as at 29 October 2020, 30 June 2020 and 30 June 2019**

**Note 1: Accounting Policies**

The financial report covers the Company of Zamcu Exploration Pty Ltd, a Pty Ltd company incorporated and domiciled in Australia.

The financial report was authorised for issue on 29 October 2020 by the Board of Directors.

**Basis of preparation**

The financial report is a special purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

**The accounting standards are not equivalent to Regulation (EC) No 1606/2002 and therefore the figures in the financial statements have been restated in accordance with International Financial Reporting Standards as endorsed in the Union based on Regulation (EC) No 1606/2002.**

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

**Going Concern**

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

**(a) *Principles of Consolidation***

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent, Zamcu Exploration Pty Ltd and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 10.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

(b) **Revenue Recognition**

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(c) **Income Tax**

The income tax expense / (benefit) tax expense charged to the profit of loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the period as well as unused tax losses.

Current and deferred income tax expense (benefit) is charged or credited directly to equity instead of profit or loss when the tax related to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantially enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a largely enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities related to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(d) **Financial Instruments**

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

(e) **Impairment of Assets**

At each reporting date, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit or loss.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

(f) ***Cash and Cash Equivalents***

Cash and cash equivalents include cash on hand and deposits held at call with banks.

(g) ***Goods and Services Tax***

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(h) ***Contributed Equity***

Ordinary shares are classified as equity.

(i) ***Trade and Other Payables***

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(j) ***Foreign Currency Transactions Balances***

*Functional and presentation currency*

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars, which is the parent entity's functional currency.

*Transactions and balances*

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

**Note 2: Revenue**

29/10/20 30/06/20 30/06/19

- - -

**Note 3: Dividends**

No dividends were paid or declared since the start of the financial period. No recommendation for payment of dividends has been made.

**Note 4: Loans Payable**

	29/10/20 AUD	30/06/20 AUD	30/06/19 AUD
Breamline Pty Ltd*	495	495	495

\*The loans are non-interest bearing and repayable should Zamcu Exploration Pty Ltd becomes part of a listed entity.

**Note 5: Contributed Equity**

	29/10/20 AUD	30/06/20 AUD	30/06/19 AUD
Paid up capital			
100 fully paid ordinary shares	100	100	100

**Note 6: Contingent Liabilities**

There are no contingent liabilities at reporting date.

**SECTION E .1: ACCOUNTANT'S REPORT ON  
THE HISTORICAL FINANCIAL INFORMATION OF  
MANMAR INVESTMENTS ONE HUNDRED & TWENTY NINE (PTY) LIMITED**



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26 May 2021

The Directors  
African Pioneer Plc  
34 North Quay  
Douglas  
Isle of Man  
IM1 4 LB

The Directors  
Beaumont Cornish Limited  
Building 3  
566 Chiswick High Road  
London  
W4 5YA

Dear Sirs

***African Pioneer Plc (“the Company” or “APP”)  
Manmar Investments One Hundred & Twenty Nine (Pty) Limited***

**Placing of 50,000,000 Placing Shares at a Placing Price of 3.5 pence per share Admission of the  
Enlarged Issued Share Capital to the Official List (by way of a Standard Listing under Chapter 14  
of the Listing Rules) and to trading on the main market for listed securities of the London Stock  
Exchange (“the Transaction”)**

#### **Introduction**

We report on the historical financial information set out in Section E.2 of this *Part X – Historical Financial Information of the Group* of the prospectus (the “**Prospectus**”) relating to Manmar Investments One Hundred & Twenty Nine (Pty) Limited (“Manmar 129”). The historical financial information covers the years to 28 February 2018, 28 February 2019, 28 February 2020 and the period to 29 October 2020. This information has been prepared for inclusion in the Prospectus dated 26 May 2021 prepared in connection with the Transaction and on the basis of the accounting policies set out in note 1. This report is required by Annex 1, section 18, item 18.3.1 of the UK version of the Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 (the “UK CDR”) and is given for the purpose of complying with that requirement and for no other purpose.

#### **Responsibility**

The directors of the Company (the “**Directors**”) are responsible for preparing the Manmar 129 Historical Financial Information on the basis of preparation set out in the notes to the Manmar 129 Historical Financial Information and in accordance with International Financial Reporting Standards (“**IFRS**”) as adopted by the European Union.

It is our responsibility to form an opinion on the Manmar 129 Historical Financial Information, and to report our opinion to you. Save for any responsibility we may have to those persons to whom this report is expressly addressed as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Annex 1, section 18, item 18.3.1 of the UK CDR, consenting to its inclusion in the Prospectus.

### **Basis of opinion**

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the Manmar 129 Historical Financial Information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the Manmar 129 Historical Financial Information and whether the accounting policies are appropriate and consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the APP Historical Financial Information is free from material misstatement whether caused by fraud or other irregularity or error.

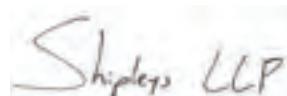
### **Opinion**

In our opinion, the Manmar 129 Historical Financial Information gives, for the purpose of the Prospectus dated 26 May 2021, a true and fair view of the state of affairs of Manmar Investments One Hundred & Twenty Nine (Pty) Limited as at 29 October 2020, 28 February 2020, 28 February 2019, and 28 February 2018 and of its results, cash flows and changes in equity for the period then ended in accordance with the applicable financial reporting framework and has been prepared in a form that is consistent with the accounting policies adopted by the Company.

### **Declaration**

For the purposes of Prospectus Regulation Rule 5.3.2R(2)(f) we are responsible for this report as part of the Document and declare that, to the best of our knowledge, the information contained in this report, for which we are responsible, is in accordance with the facts and that this report makes no omission likely to affect its import. This declaration is included in the Document in compliance with item 1.2 of Annex 1 to the UK CDR.

Yours faithfully

A handwritten signature in black ink that reads "Shipleys LLP". The signature is fluid and cursive, with "Shipleys" on the top line and "LLP" on the bottom line.

**Shipleys LLP**  
*Reporting Accountants*

**SECTION E.2: HISTORICAL FINANCIAL INFORMATION OF  
MANMAR INVESTMENTS ONE HUNDRED & TWENTY NINE (PTY) LIMITED**

**Manmar Investments One Hundred & Twenty Nine (Pty) Limited  
Statement of Comprehensive Income**

**as at 29 October 2020, 28 February 2020, 28 February 2019 and 28 February 2018**

	29-Oct-20 NAD	28-Feb-20 NAD	28-Feb-19 NAD	28-Feb-18 NAD
Revenue	—	—	—	—
Total income	—	—	—	—
Administrative expenses:				
Formation costs	—	—	—	—
Total expenses	—	—	—	—
OPERATING (LOSS) FOR THE PERIOD	—	—	—	—
Taxation	—	—	—	—
<b>NET PROFIT / (LOSS) FOR THE PERIOD</b>	—	—	—	—
<b>Other comprehensive income</b>	—	—	—	—
<b>Total comprehensive income / (loss)</b>	—	—	—	—

**Manmar Investments One Hundred & Twenty Nine (Pty) Limited  
Statement of Financial Position**

**as at 29 October 2020, 28 February 2020, 28 February 2019 and 28 February 2018**

	29-Oct-20 NAD	28-Feb-20 NAD	28-Feb-19 NAD	28-Feb-18 NAD
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	100	100	100	100
<b>Total Current Assets</b>	100	100	100	100
<b>TOTAL ASSETS</b>	100	100	100	100
<b>CURRENT LIABILITIES</b>				
Trade and other payables	—	—	—	—
<b>Total Current Liabilities</b>	—	—	—	—
<b>NET ASSETS / (LIABILITIES)</b>	100	100	100	100
<b>EQUITY</b>				
Share capital	100	100	100	100
Retained earnings	—	—	—	—
<b>TOTAL EQUITY</b>	100	100	100	100

**Manmar Investments One Hundred & Twenty Nine (Pty) Limited**

**Statement of Changes In Equity**

**as at 29 October 2020, 28 February 2020, 28 February 2019 and 28 February 2018**

	Share Capital NAD	Retained Earnings NAD	Total Equity NAD
<b>As at 1 March 2017</b>	100	—	100
Profit / (loss) for the year	—	—	—
<b>As at 28 February 2018</b>	100	—	100
	<b>100</b>	<b>—</b>	<b>100</b>
<b>As at 1 March 2018</b>	100	—	100
Profit / (loss) for the year	—	—	—
<b>As at 28 February 2019</b>	100	—	100
	<b>100</b>	<b>—</b>	<b>100</b>
<b>As at 1 March 2019</b>	100	—	100
Profit / (loss) for the year	—	—	—
<b>As at 28 February 2020</b>	100	—	100
	<b>100</b>	<b>—</b>	<b>100</b>
<b>As at 1 March 2020</b>	100	—	100
Profit / (loss) for the year	—	—	—
<b>As at 29 October 2020</b>	100	—	100
	<b>100</b>	<b>—</b>	<b>100</b>

**Manmar Investments One Hundred & Twenty Nine (Pty) Limited**

**Statement of Cash Flows**

**As at 29 October 2020, 28 February 2020, 28 February 2019 and 28 February 2018**

	29-Oct-20 NAD	28-Feb 20 NAD	28-Feb 19 NAD	28-Feb 18 NAD
<b>Cash Flow from Operations</b>				
(Loss)/Profit before taxation	—	—	—	—
<i>Adjustments for</i>				
Increase in payables	—	—	—	—
<b>Net cash outflow from operating activities</b>	—	—	—	—
<b>Cash flow from financing activities</b>				
Shares issued	—	—	—	—
<b>Net cash outflow from financing activities</b>	—	—	—	—
<b>Net increase/(decrease) in cash and cash equivalents in the period</b>	—	—	—	—
Cash and cash equivalents at the beginning of the period	100	100	100	100
<b>Cash and cash equivalents at the end of the period</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

**Manmar Investments One Hundred & Twenty Nine (Pty)**

**Limited Notes to the Financial Statements**

**as at 29 October 2020, 28 February 2020, 28 February 2019 and 28 February 2018**

The Namibia companies act requires no further disclosure of accounting policies or notes. The company has been dormant since its incorporation in 2015.

**SECTION F.1: ACCOUNTANT'S REPORT ON  
THE HISTORICAL FINANCIAL INFORMATION OF  
MANMAR INVESTMENTS ONE THREE SIX (PTY) LIMITED**



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26 May 2021

The Directors  
African Pioneer Plc  
34 North Quay  
Douglas  
Isle of Man  
IM1 4 LB

The Directors  
Beaumont Cornish Limited  
Building 3  
566 Chiswick High Road  
London  
W4 5YA

Dear Sirs

***African Pioneer Plc ("the Company" or "APP")  
Manmar Investments One Three Six (Pty) Limited***

**Placing of 50,000,000 Placing Shares at a Placing Price of 3.5 pence per share Admission of the  
Enlarged Issued Share Capital to the Official List (by way of a Standard Listing under Chapter 14  
of the Listing Rules) and to trading on the main market for listed securities of the London Stock  
Exchange ("the Transaction")**

### **Introduction**

We report on the historical financial information set out in Section F.2 of this *Part X – Historical Financial Information of the Group* of the prospectus (the "**Prospectus**") relating to Manmar Investments One Three Six (Pty) Limited ("Manmar 136"). The historical financial information covers the years to 28 February 2018, 28 February 2019, 28 February 2020 and the period to 29 October 2020. This information has been prepared for inclusion in the Prospectus dated 26 May 2021 prepared in connection with the Transaction and on the basis of the accounting policies set out in note 1. This report is required by Annex 1, section 18, item 18.3.1 of the UK version of the Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 (the "**CDR**") and is given for the purpose of complying with that requirement and for no other purpose.

### **Responsibility**

The directors of the Company (the "**Directors**") are responsible for preparing the Manmar 136 Historical Financial Information on the basis of preparation set out in the notes to the Manmar 136 Historical Financial Information and in accordance with International Financial Reporting Standards ("**IFRS**") as adopted by the European Union.

It is our responsibility to form an opinion on the Manmar 136 Historical Financial Information, and to report our opinion to you. Save for any responsibility we may have to those persons to whom this report is expressly addressed as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Annex 1, section 18, item 18.3.1 of the UK CDR, consenting to its inclusion in the Prospectus.

### **Basis of opinion**

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the Manmar 136 Historical Financial Information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the Manmar 136 Historical Financial Information and whether the accounting policies are appropriate and consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the APP Historical Financial Information is free from material misstatement whether caused by fraud or other irregularity or error.

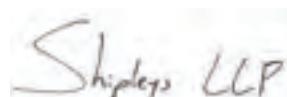
### **Opinion**

In our opinion, the Manmar 136 Historical Financial Information gives, for the purpose of the Prospectus dated 26 May 2021, a true and fair view of the state of affairs of Manmar Investments One Three Six (Pty) Limited as at 29 October 2020, 28 February 2020, 28 February 2019 and 28 February 2018 and of its results, cash flows and changes in equity for the period then ended in accordance with the applicable financial reporting framework and has been prepared in a form that is consistent with the accounting policies adopted by the Company.

### **Declaration**

For the purposes of Prospectus Regulation Rule 5.3.2R(2)(f) we are responsible for this report as part of the Document and declare that, to the best of our knowledge, the information contained in this report, for which we are responsible, is in accordance with the facts and that this report makes no omission likely to affect its import. This declaration is included in the Document in compliance with item 1.2 of Annex 1 to the UK CDR.

Yours faithfully

A handwritten signature in black ink that reads "Shipleys LLP". The signature is fluid and cursive, with "Shipleys" on the top line and "LLP" on the bottom line.

**Shipleys LLP**  
*Reporting Accountants*

**SECTION F.2: HISTORICAL FINANCIAL INFORMATION OF  
MANMAR INVESTMENTS ONE THREE SIX (PTY) LIMITED**

**Manmar Investments One Three Six (Pty) Limited  
Statement of Comprehensive Income**

**as at 29 October 2020, 28 February 2020, 28 February 2019 and 28 February 2018**

	29-Oct-20 NAD	28-Feb-20 NAD	28-Feb-19 NAD	28-Feb-18 NAD
Revenue	—	—	—	—
Total income	—	—	—	—
Administrative expenses:				
Formation costs	—	—	—	—
Total expenses	—	—	—	—
OPERATING (LOSS) FOR THE PERIOD	—	—	—	—
Taxation	—	—	—	—
<b>NET PROFIT / (LOSS) FOR THE PERIOD</b>	—	—	—	—
<b>Other comprehensive income</b>	—	—	—	—
<b>Total comprehensive income / (loss)</b>	—	—	—	—

**Manmar Investments One Three Six (Pty) Limited  
Statement of Financial Position**

**as at 29 October 2020, 28 February 2020, 28 February 2019 and 28 February 2018**

	29-Oct-20 NAD	28-Feb-20 NAD	28-Feb-19 NAD	28-Feb-18 NAD
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	100	100	100	100
<b>Total Current Assets</b>	100	100	100	100
<b>TOTAL ASSETS</b>	100	100	100	100
<b>CURRENT LIABILITIES</b>				
Trade and other payables	—	—	—	—
<b>Total Current Liabilities</b>	—	—	—	—
<b>NET ASSETS / (LIABILITIES)</b>	100	100	100	100
<b>EQUITY</b>				
Share capital	100	100	100	100
Retained earnings	—	—	—	—
<b>TOTAL EQUITY</b>	100	100	100	100

**Manmar Investments One Three Six (Pty) Limited**

**Statement of Changes In Equity**

**as at 29 October 2020, 28 February 2020, 28 February 2019 and 28 February 2018**

	Share Capital NAD	Retained Earnings NAD	Total Equity NAD
<b>As at 1 March 2017</b>	100	—	100
Profit / (loss) for the year	—	—	—
<b>As at 28 February 2018</b>	100	—	100
	<b>100</b>	<b>—</b>	<b>100</b>
<b>As at 1 March 2018</b>	100	—	100
Profit / (loss) for the year	—	—	—
<b>As at 28 February 2019</b>	100	—	100
	<b>100</b>	<b>—</b>	<b>100</b>
<b>As at 1 March 2019</b>	100	—	100
Profit / (loss) for the year	—	—	—
<b>As at 28 February 2020</b>	100	—	100
	<b>100</b>	<b>—</b>	<b>100</b>
<b>As at 1 March 2020</b>	100	—	100
Profit / (loss) for the year	—	—	—
<b>As at 29 October 2020</b>	100	—	100
	<b>100</b>	<b>—</b>	<b>100</b>

**Manmar Investments One Three Six (Pty) Limited**

**Statement of Cash Flows**

**as at 29 October 2020, 28 February 2020, 28 February 2019 and 28 February 2018**

	29-Oct-20 NAD	28-Feb 20 NAD	28-Feb 19 NAD	28-Feb 18 NAD
<b>Cash Flow from Operations</b>				
(Loss)/Profit before taxation	—	—	—	—
<i>Adjustments for</i>				
Increase in payables	—	—	—	—
<b>Net cash outflow from operating activities</b>	—	—	—	—
<b>Cash flow from financing activities</b>				
Shares issued	—	—	—	—
<b>Net cash outflow from financing activities</b>	—	—	—	—
<b>Net increase/(decrease) in cash and cash equivalents in the period</b>	—	—	—	—
Cash and cash equivalents at the beginning of the period	100	100	100	100
<b>Cash and cash equivalents at the end of the period</b>	100	100	100	100

**Manmar Investments One Three Six (Pty) Limited**

**Notes to the Financial Statements**

**as at 29 October 2020, 28 February 2020, 28 February 2019 and 28 February 2018**

The Namibia companies act requires no further disclosure of accounting policies or notes. The company has been dormant since its incorporation in 2017.

## PART XI

### UNAUDITED PRO FORMA FINANCIAL INFORMATION ON THE GROUP

#### SECTION A: ACCOUNTANT'S REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION ON THE GROUP



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26 May 2021

The Directors  
African Pioneer Plc  
34 North Quay  
Douglas  
Isle of Man  
IM1 4 LB

The Directors  
Beaumont Cornish Limited  
Building 3  
566 Chiswick High Road  
London  
W4 5YA

Dear Sirs

#### ***African Pioneer Plc ("the Company")***

**Proposed placing of 50,000,000 ordinary shares of nominal value 3.5 pence each in the capital of the Company to listing on the standard segment of the Official List of the Financial Conduct Authority and to trading on the Main Market for listed securities of London Stock Exchange plc ("the Proposed Transaction")**

#### **Introduction**

We report on the unaudited pro forma statement of net assets (the "**Pro Forma Financial Information**") set out in Part XI Section B of the prospectus (the "**Prospectus**") published by the Company in connection with the Proposed Transaction dated 26 May 2021. The Pro Forma Financial Information has been prepared on the basis described in notes 1 to 4 to the Pro forma Financial Information, for illustrative purposes only, to provide information about how the acquisition of the Subsidiaries and the Placing might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing its historical financial information as at 31 December 2020.

This report is required by and by Section 3 of Annex 20 of the UK version of the Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CDR**") and is given for the purpose of complying with that requirement and for no other purpose.

#### **Responsibilities**

It is the responsibility of the directors (the "**Directors**") of the Company to prepare the Pro Forma Financial Information in accordance with items 1 and 2 of Annex 20 of the UK CDR.

It is our responsibility to form an opinion, as required by item 3 of Annex 20 of the UK CDR, as to the proper compilation of the Pro Forma Financial Information and to report that opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and which we may have to shareholders of the Company as a result of the inclusion of this report in the Prospectus, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any person for any loss suffered by any such other person as a result of, arising out of, or in accordance with this report or our statements, required by and given solely for the purposes of complying with Annex 1, Section 1, item 1.3 of the UK CDR, consenting to its inclusion in the Prospectus.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro-Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

### **Basis of Opinion**

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro-Forma Financial Information with the Directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro-Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

### **Opinion**

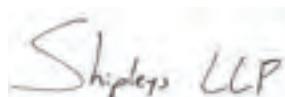
In our opinion:

- (a) the Pro-Forma Financial Information has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of the Company.

### **Declaration**

For the purposes of Prospectus Regulation Rule 5.5.3R(2)(f) declare that to the best of our knowledge, the information contained in this report, for which we are responsible, is in accordance with the facts and that this report makes no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Annex 1, item 1.2 of the UK CDR.

Yours faithfully

A handwritten signature in black ink that reads "Shipleys LLP". The signature is fluid and cursive, with "Shipleys" on the top line and "LLP" on the bottom line.

**Shipleys LLP**

## SECTION B: UNAUDITED PRO FORMA FINANCIAL INFORMATION ON THE GROUP AS AT 31 DECEMBER 2020

Set out below is an unaudited pro forma statement of financial position of the Group, which has been based on the unaudited balance sheet of the Company as at 31 December 2020. This has been prepared for illustrative purposes only to illustrate the effect on the net assets of African Pioneer Plc of the Placing and the acquisitions of the three Subsidiaries as described in the notes below, as if they had taken place as at 31 December 2020. Due to the nature of pro forma financial information, the statement of financial position below shows a hypothetical situation and does not represent the actual financial position of the Group as at 31 December 2020. The unaudited pro forma statement of financial position has been prepared on the basis described in the notes set out below and after making the adjustments described in those notes.

### Unaudited pro forma balance sheet

	The Company as at 30 Dec-20 Note 1 £	Net financing proceeds Note 2 £	Acquisitions of the three Subsidiaries Note 3 £	Other adjustments Note 4 £	Pro forma net assets of the Group as at 31 Dec-20 £
<b>Fixed Assets</b>					
Investments – shares for resale	99,105	0	0	0	99,105
Goodwill	0	0	3,128,943	41,205	3,170,148
	<u>99,1056</u>	<u>0</u>	<u>3,128,943</u>	<u>41,205</u>	<u>3,269,253</u>
<b>Current Assets</b>					
Debtors – Prepayments	420	0	743	0	1,163
Bank and cash balances	<u>87,462</u>	<u>1,882,491</u>	<u>(166,912)</u>	<u>0</u>	<u>1,803,041</u>
	<u>87,462</u>	<u>1,882,491</u>	<u>(166,170)</u>	<u>0</u>	<u>1,804,203</u>
<b>Current Liabilities</b>					
Creditors and accruals	<u>(50,730)</u>	<u>0</u>	<u>(273)</u>	<u>(41,205)</u>	<u>(92,208)</u>
	<u>(50,730)</u>	<u>0</u>	<u>(273)</u>	<u>(41,205)</u>	<u>(92,208)</u>
<b>Net Current Assets</b>	<b>37,152</b>	<b>1,882,491</b>	<b>(166,443)</b>	<b>(41,205)</b>	<b>1,711,995</b>
<b>Non-current liabilities</b>					
Loans	<u>(49,143)</u>	<u>0</u>	<u>0</u>	<u>49,143</u>	<u>0</u>
<b>Net assets</b>	<b><u>87,114</u></b>	<b><u>1,882,491</u></b>	<b><u>2,962,500</u></b>	<b><u>49,143</u></b>	<b><u>4,981,248</u></b>
Represented by:					
<b>Capital and Reserves</b>					
Share capital	452,983	2,260,878	2,962,500	100,000	5,776,361
Capital contribution reserve	186,446	<u>(125,000)</u>	0	0	61,446
P&L reserve	<u>(552,315)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(552,315)</u>
P&L for the year	<u>0</u>	<u>(253,387)</u>	<u>0</u>	<u>(50,857)</u>	<u>(304,244)</u>
	<u>87,114</u>	<u>1,882,491</u>	<u>2,962,500</u>	<u>49,143</u>	<u>4,981,248</u>

#### Notes:

1. The financial information for the Company has been extracted without adjustment from the audited results for the Company as at 31 December 2020.
2. The Net financing proceeds adjustments reflect:
  - the Placing proceeds of £1,750,000 (gross) less associated Placing and Admission expenses which are estimated to be £447,500 ("Expenses"), of which £83,378 is to be paid in new Ordinary Shares. Of the Expenses, £63,045 has already been paid as at 31 December 2020 and accordingly has been added back, so that the net proceeds from the Placing (in cash) are expected to be £1,448,923 ("Net Placing Proceeds"); and
  - pre-IPO loan of \$500,000 (£365,000) which converts into new Ordinary Shares on Admission at a share price which gives a 15 per cent. holding in the Company post Admission and a further £150,000 pre-IPO loan which converts into new Ordinary Shares on Admission at 1.75p per share of which £125,000 was paid pre 31 December 2020 and £25,000 post year end.

Accordingly, the Net financing proceeds of £1,838,923 equals the Net Placing Proceeds of £1,448,923 + the £365,000 pre-IPO loan + £25,000 of the £150,000 pre-IPO loan received post year end.

3. The financial information for the three Subsidiaries has been extracted without material adjustment (other than, as described below, the translation into the Group's reporting currency) from the historical financial information as at 29 October 2020. The balance sheets of the Subsidiaries have been translated into GBP at the rates as set out in the currency conversion table included at the end of Part III of this Document. It assumed that the transaction to acquire Subsidiaries gives rise to goodwill and no impairment of the goodwill generated upon consolidation is required. The balance sheet also includes a payment of £131,367 and AUD\$64,000 as a cash payment as part of the consideration for one of the subsidiary entities being acquired.
4. Within 'other adjustments' there is an adjustment for loans from shareholders totalling \$54,940 in respect of exploration licences acquired. In addition, within other adjustments there is a convertible loan held at amortised cost with Tiger Resource Plc of £49,143 which converts into £100,000 in new Ordinary Shares on Admission at an issue price of 3.5p per shares.
5. The subsidiary acquisitions are being financed by share issues. Zamcu Exploration Pty Ltd contains net liabilities of £272 and is being financed by a share issue of £687,500, and a payment of AUD\$200,000 (£110,000) and a further payment of AUD\$64,000 (£35,556). This gives rise to goodwill of £833,328. African Pioneer Zambia Ltd has net assets of £743 and is being financed by a share issue of £1,925,000 giving rise to goodwill of £1,924,257. African Pioneer Zambia has a further loan of \$54,940 (£41,205) which became an obligation for the purposes of the balance sheet after 29 October 2020, and this was for exploration licenses. Goodwill also increased by this amount in respect of these exploration licenses. Resource Capital Partners (Proprietary) Limited has net assets of £nil and is being financed by a share issue totalling £350,000, giving rise to Goodwill of £350,000. No impairment of goodwill has been assumed for the purposes of the pro-forma.

## PART XII

### SHARE CAPITAL, LIQUIDITY AND CAPITAL RESOURCES, OPERATING FINANCIAL REVIEW AND CAPITALISATION AND INDEBTEDNESS

#### 1. Share capital

The Company was incorporated on 20 July 2012 as a company with limited liability under the Isle of Man Companies Act 2006 with company registration number 008591V.

As at Admission, there is expected to be £5,776,361 in total value of Ordinary Shares, divided into 189,459,550 issued Ordinary Shares of nominal value no par value each, all of which will be fully paid up.

All of the issued Ordinary Shares will be in registered form, and capable of being held in certificated or uncertificated form. The Registrar will be responsible for maintaining the share register. Temporary documents of title will not be issued.

The ISIN of the Ordinary Shares is IM00B8C0HK22. The SEDOL code of the Ordinary Shares is B8C0HK2.

On 21 October 2020, the Company issued £150,000 in convertible loan notes ("Notes") to Sanderson Capital Partners Limited, convertible into Ordinary Shares at any time following the date upon which the aggregate amount of the Notes constituted by the loan instrument have been issued but in any case no later than the date on which the Company has listed its Ordinary Shares on a recognised exchange at a price of 1.75 pence per Conversion Share. In addition, SCP has the right to subscribe (for a period of 3 years from 21 October 2020) for one Ordinary Share in the Company at a price being the lower of 3.5 pence per Ordinary Share or the issue price of the shares at Admission (subject to the Company's shares being successfully admitted on a recognised exchange) for every Ordinary Share issued to the Loan Note Holder following conversion of the Loan Notes.

On 11 March 2021 the Company entered into a Convertible Loan Note Subscription Agreement with Sandfire Resources Limited, listed on the Australian Stock Exchange ("Sandfire") under which Sandfire subscribed for US\$500,000 of interest free unsecured loan notes convertible upon Admission into Ordinary Shares constituting 15 per cent. of the Company's issued share capital. Pursuant to the loan notes, upon conversion, Sandfire has the right to nominate a director to the Board of the Company whilst their shareholding remains at or above 15 per cent. of the issued share capital; the appointment will be subject to customary due diligence. Sandfire has not indicated that it will take up this right and has not yet identified a candidate for this role. Additionally, Sandfire will have the right to participate in all future share offerings subscribers so as to maintain its shareholding at 15 per cent., irrespective of any disapplication or non-application of pre-emption rights and to appoint a director of the Company. The Shares issued to Sandfire at Admission will be subject to a 12 month lock-in during which the Shares are not permitted to be sold, followed by a 12 month orderly markets period during which sellers are required to work with the Company's broker for 10 days prior to making any sale.

#### **Fully diluted Existing Issued Share Capital**

The following table sets out the fully diluted Existing Issued Share Capital as at the date of this document and as at Admission:

As at the date of this document				On Admission			
Existing Ordinary Shares*				Ordinary Shares			
	Authorised Number		Issued**		Authorised Number		Issued***
£	£	£	Number	£	£	Number	Number
N/A	1,000,000,000	N/A	11,729,826 (no par value)	N/A	1,000,000,000	N/A	189,459,550 (no par value)

\* being the date to which the most recent balance sheet for the Company has been prepared and set out in Part X of this Document.

\*\* All issued Existing Ordinary Shares are fully paid up with zero par value

\*\*\* All 177,729,724 New Ordinary Shares will be issued and fully paid up on Admission.

## **Financial position**

The historical financial information covering the last three financial year-ends to 31 December 2020 in respect of the Company upon which Shipleys LLP has provided the accountant's report is set out in Section A.1 of *Part X – Historical Financial Information of the Group*.

## **2. Liquidity and capital resources**

### **Sources of cash and liquidity**

The Company will on Admission have a net cash balance of approx. £1,635,106. This is the sum of the expected cash position of £185,183 as at 27 April 2021 which includes the proceeds of US\$500,000 pursuant to the Sandfire Convertible Loan Note Subscription Agreement and the cash received to date pursuant to the SCP Convertible Loan Note Agreement, as well as the Net Placing Proceeds. Such cash balance will be used for exploration expenditure and working capital for each of the Projects and for the working capital generally.

The Company has entered into a Conditional Botswana Licence Sale Agreement with Sandfire as more fully described in para 9.1.9 of Part XVI of this Document. If the conditions precedent in that agreement are met and the sale of the Botswanan Licences completes, the Company will apply the sales proceeds of US\$1,000,000 (50 per cent. of which is receivable in the form of Sandfire Shares which are not subject to any sale restriction) receivable from this transaction less any associated tax liabilities and the cost saved on the work programmes in respect of the Botswanan Projects towards the remaining Namibian and Zambian Projects and/or further acquisitions as and when any may be identified.

As it is an exploration company with no revenue producing assets the Company will, from time to time, need to raise additional capital in order to fund its operations. Such capital may be raised through share issues (such as rights issues, open offers or private placings) or borrowings. Although the Company envisages that any capital raised will be from new equity, the Company may also choose to raise capital by means of debt financing. Any debt financing used by the Company is expected to take the form of convertible loan note instruments (which may be interest bearing and will be settled in cash or through the issue of shares in the Company), although no financing arrangements will be in place at Admission. If debt financing is utilised, there will be additional servicing costs. Furthermore, while the terms of any such financing cannot be predicted, such terms may subject the Company to financial and operating covenants or other restrictions, including restrictions that might limit the Company's ability to make distributions to Shareholders.

Currently, there is a loan from the Directors of the Company for \$54,940 in place, with repayment on a deferred basis. The loan is unsecured and does not carry a coupon rate, with repayment terms of 6 months after Admission.

### **Cash uses**

The Company's principal use of cash will be used for exploration expenditure and working capital for each of the Projects and for working capital generally. For further information see section 5 of Part XIII.

#### *Interest rate risks*

The Company does not have any long-term variable rate borrowings.

#### *Hedging arrangements and risk management*

The Company may use forward contracts, options, swaps, caps, collars and floors or other strategies or forms of derivative instruments to limit its exposure to changes in the relative values of investments that may result from market developments, including changes in prevailing interest rates and currency exchange rates, as previously described.

### **3. Operating and Financial Review**

*The following operating and financial review contains financial information that has been extracted or derived without material adjustment from the Company's audited financial information for the years ended 31 December 2018, 31 December 2019 and 31 December 2020 and as set out at Part X A.2 and prepared in accordance with IFRS.*

*This discussion contains forward-looking statements, which, although based on assumptions that the Directors consider reasonable, are subject to risks and uncertainties which could cause actual events or conditions to differ materially from those expressed or implied by the forward-looking statements. Investors should read the notice in relation to forward looking statements contained on page 19.*

*The key risks and uncertainties, include, but are not limited to those described in the section of this document entitled "Risk Factors" on pages 11 to 20.*

#### ***Operating and Financial Review of the Company***

The Company was incorporated and registered in the Isle of Man under the Isle of Man Companies Act on 20th July 2012 with company registration number 008591V as a company limited by shares.

The Company's historical results have reflected the Company's history as an investment company summarised as follows:

	31 December 2020 (audited) £	31 December 2019 (audited) £	31 December 2018 (audited) £
Total income	56,866	(25,208)	(101,217)
NET PROFIT /(LOSS) FOR THE PERIOD	(90,156)	(51,225)	(97,972)
Available for sale investments	99,105	106,469	132,710

Administration costs account for the remainder of the losses reported above.

The Company has no material liabilities other than in respect of the Admission.

#### ***Principal risks and uncertainties***

The Company's activities expose it to a variety of risk as set out in Part II of this document. The Company's overall risk management programme seeks to minimise potential adverse effects on the Company's financial performance:

#### ***Distributions and Share re-purchases***

Since incorporation there has been no distributions to share- holders or share re-purchases.

#### ***Employees***

Since incorporation there have been no employees.

As from Admission the Company will be an operating company and none of the Subsidiaries have any significant operating history.

#### 4. Capitalisation and Indebtedness

The table below shows the capitalisation and indebtedness of the Company as at 31 December 2020.

*Figures given in £ sterling*

Total current debt		
Guaranteed	0	
Secured	0	
Unguaranteed / unsecured	50,730	
Total non-current debt		
Guaranteed	0	
Secured	0	
Unguaranteed / unsecured	49,143	
<b>Total debt</b>		<b>99,873</b>
Shareholder equity		
Share capital	452,983	
Legal reserve	0	
Other reserves	186,446	
<b>Total capitalisation</b>		<b>639,429</b>
A	Cash	87,462
B	Cash equivalent	0
C	Trading Securities	99,105
<b>D</b>	<b>Liquidity</b>	<b>186,567</b>
<b>E</b>	<b>Current financial receivable</b>	<b>420</b>
F	Current Bank Debt	0
G	Current Portion of non-current debt	0
H	Other current financial debt	50,730
<b>I</b>	<b>Current financial debt</b>	<b>50,730</b>
J	Net current indebtedness	(136,257)
K	Non-current bank loans	0
L	Bonds issued	0
M	Other non-current loans	49,143
N	Non-current financial indebtedness	0
<b>O</b>	<b>Net financial indebtedness</b>	<b>(87,114)</b>

The Company does not have any indirect debt or contingent liabilities.

The financial information in the statement above is more than 90 days old in comparison to the date of the prospectus.

Since 31 December 2020 the Company has issued a convertible loan which converts into ordinary shares upon listing. The effect of this loan issued is an increase in cash of £365,000 which increases the value of the numbers referenced above in (A) and (D) by this amount. Other current financial debt also increased by the same amount which has the effect of increasing the numbers referenced in (H) and (I) above by this amount. There is no change to net current indebtedness or net financial indebtedness as a result of these transactions.

On 29 January 2021, the Company drew down £131,366 under the Tiger Loan Facility. This loan was repaid to Tiger on 6 April 2021. The effect of this transaction decreases the numbers referenced in (A) and (D) above by £134,030 (including interest) and increases net financial indebtedness in (O) by £134,030 (including interest).

The directors confirm that other than as described above, there has been no material change in the figures above since the last published financial information to 31 December 2020.

## PART XIII

### THE PLACING

#### **Details of the Placing**

The Company, the Directors and the Broker have entered into the Placing Agreement in connection with the Placing pursuant to which, subject to certain conditions, the Broker agreed to use its reasonable endeavours to procure subscribers for the Placing Shares to be issued by the Company.

The Company will issue the Placing Shares through the Placing at the Placing Price, representing approximately 26.39 per cent. of the Enlarged Issued Share Capital.

The Placing is not being underwritten.

Shareholdings immediately prior to Admission will be diluted by approximately 93.81 per cent. as a result of the total of 177,729,724 New Ordinary Shares being issued.

The Placing Shares will, upon issue, rank *pari passu* with the existing Ordinary Shares. The Net Placing Proceeds after deduction of Expenses (but not including £83,378 payable in Fee Shares and not including the £63,045 already paid by the Company from its existing cash resources), will be £1,448,923 on the basis that the Company has raised gross placing proceeds of £1,750,000.

#### **Admission, dealings and CREST**

Completion of the Placing is subject to the satisfaction of conditions contained in the Placing Agreement, including Admission occurring on or before 18 June 2021 or such later date as may be agreed by the Broker, Beaumont Cornish and the Company.

An application will be made to the FCA and to the London Stock Exchange for the Enlarged Share Capital to be admitted to trading on the Main Market and to listing on the standard listing segment of the Official List. Admission is expected to take place and dealings in the Ordinary Shares are expected to commence on the main market for listed securities of the London Stock Exchange at 8.00 a.m. on 1 June 2021.

Where applicable, definitive share certificates in respect of the Placing Shares to be issued pursuant to the Placing are expected to be despatched, by post at the risk of the recipients, to the relevant holders, within ten business days of Admission. The Placing Shares are in registered form and can also be held in uncertificated form. Prior to the despatch of definitive share certificates in respect of any Placing Shares which are held in certificated form, transfers of those Placing Shares will be certified against the register of members of the Company. No temporary documents of title will be issued.

In accordance with Listing Rule 14.3, the Company and the Directors have ensured that on Admission the Company shall have sufficient shares in "public hands" (i.e. at least 25 per cent.), as defined in the Listing Rules. The in "public hands" are held by investors whose individual and unconnected shareholdings each equate to less than 5.0 per cent. of the Enlarged Share Capital, and who do not fall within any of the other excluded categories of investors in Listing Rule 14.2.2(4).

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the holding of Ordinary Shares under the CREST system. The Company has applied for the Ordinary Shares to be admitted to CREST with effect from Admission and it is expected that the Ordinary Shares will be admitted with effect from that time. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if any investor so wishes.

CREST is a voluntary system and Shareholders who wish to receive and retain certificates for their Ordinary Shares will be able to do so. Shareholders may elect to receive Ordinary Shares in uncertificated form if such Shareholder is a system-member (as defined in the CREST Regulations) in relation to CREST.

## **Selling restrictions**

The Ordinary Shares will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the US and may not be taken up, offered, sold, resold, transferred, delivered or distributed, directly or indirectly, within, into or in the US. Certain restrictions that apply to the distribution of this document and the Placing Shares being issued pursuant to the Placing in certain jurisdictions are described in the section headed 'Notices to Investors' in *Part III – Important Information* of this document.

## **Transferability**

Save as set out below, the Ordinary Shares are freely transferable and tradable, free from all liens, and there are no restrictions on transfer.

The Board may refuse (subject to any relevant requirements applicable to the recognised investment exchange(s) to which the shares of the Company are admitted) to register any such transfer or renunciation which is in favour of more than four persons jointly or in any other circumstance permitted by the Isle of Man Uncertificated Securities Regulations 2006.

## **Lock-in Arrangements**

Pursuant to the 129 SPA, 136 SPA, RCP SPA, Zamcu SPA and APP Zambia SPA in aggregate 84,642,857 Consideration Shares issued to the sellers on Admission and representing 44.68 per cent. of the Enlarged Share Capital are subject to a 12 month lock-in period during which the sellers cannot dispose of or agree to disposed of those Shares, followed by a 12 month orderly markets period during which the sellers are required to notify the Company if they wish to sell their Shares and to allow the Company 30 days in which to seek buyers.

In addition, pursuant to the Sandfire Convertible Loan Note Subscription Agreement the 28,418,932 New Ordinary Shares issued to Sandfire on Admission and representing 15 per cent. of the Enlarged Issued Share Capital will be subject to a 12 month lock-in during which those Shares are not permitted to be sold, followed by a 12 month orderly markets period during which Sandfire are required to work with the Company's broker for 10 days prior to making any sale.

Pursuant to lock-in agreements dated 26 May 2021 between: (1) the Company; (2) Broker; (3) Beaumont Cornish; and (4) the each of the Directors, a total of 52,323,456 Ordinary Shares held by Directors (50,000,000 of which are the Consideration Shares subject to a separate lock-in as described above) on Admission and representing 27.62 per cent. of the Enlarged Share Capital, will be subject to a 12 month lock-in period during which the Directors cannot dispose of or agree to disposed of their Shares, followed by a 12 month orderly markets period during which the Directors are required to notify the Company if they wish to sell their Shares and to allow the Company 30 days in which to seek buyers.

## **Use of Proceeds**

The Net Placing Proceeds are expected to be used as follows:

	(£'000)
18-month exploration programmes in Zambia, Namibia and Botswana	600
General administration	456
Available for additional exploration / projects	393

## PART XIV

### TAXATION

The following statements are intended only as a general guide to certain UK and Isle of Man tax considerations of acquiring, holding or disposing of Ordinary Shares, and do not purport to be a complete analysis of all potential tax consequences in each of the United Kingdom and Isle of Man of acquiring, holding or disposing of Ordinary Shares.

The following statements are based on tax legislation, judicial interpretation and the rulings and administrative practices of the taxation authorities in the UK and Isle of Man, each as at the date of this Prospectus. The tax consequences relating to the Ordinary Shares may therefore be different if the legislation is amended, the courts change their interpretation or the relevant revenue authority changes its practice.

**Any person who is in any doubt about their taxation position or who may be subject to tax in a jurisdiction other than the UK and Isle of Man is strongly recommended to consult their own professional advisers.**

#### **UK Taxation**

The following summary is intended only as a general guide and relates solely to UK tax. It is based on current UK law and published practice of H.M. Revenue & Customs as at the date of this document, each of which may be subject to change, possibly with retrospective effect.

The following paragraphs are not intended to be exhaustive and relate only to certain limited aspects of the UK taxation consequences of acquiring, holding and disposing of the Ordinary Shares and do not constitute legal or tax advice. Except to the extent expressly stated, they apply only to holders of Ordinary Shares who are resident, and in the case of individuals, domiciled, solely in the United Kingdom for UK tax purposes, and who are the absolute beneficial owners of their Ordinary Shares and who do not hold their Ordinary Shares through an individual savings account or a self-invested personal pension (“**UK Holders**”). The information may not apply to certain classes of UK Holders such as tax exempt entities, collective investment schemes, pension schemes, insurance companies, financial institutions, dealers, professional investors, persons who hold Ordinary Shares in connection with a trade, profession or vocation, persons connected with the company and persons who have acquired (or been deemed to have acquired) their Ordinary Shares by reason of their (or another person’s) office or employment, to whom special rules may apply.

#### ***Dividends***

##### *Withholding Tax*

Dividends paid by the company will not be subject to any withholding or deduction for or on account of UK tax, irrespective of the residence or particular circumstances of the holders of Ordinary Shares.

##### *Income Tax*

An individual UK Holder may, depending on his or her particular circumstances, be subject to UK tax on dividends received from the company.

All dividends received by an individual UK Holder from the company (or from other sources, except to the extent within an individual savings account, self-invested pension plan or other regime which exempts dividends from tax) will form part of that UK Holder’s total income for income tax purposes and will constitute the top slice of that income. A nil rate of income tax will apply to the first £2,000 of taxable dividend income received by the individual UK Holder in a tax year. Income within this nil-rate band will be taken into account in determining whether income in excess of the £2,000 nil-rate band falls within the basic rate, higher rate or additional rate tax bands. Dividend income in excess of the nil-rate band will (subject to the availability of any income tax personal allowance) be taxed at 7.5 per cent. to the extent that the excess amount falls within the basic rate tax band, 32.5 per cent. to the extent that the excess amount falls within the higher rate tax band and 38.1 per cent. to the extent that the excess amount falls within the additional rate tax band.

An individual holder of Ordinary Shares who is not resident for tax purposes in the United Kingdom should not be chargeable to UK income tax on dividends received from the company unless he or she carries on (whether solely or in partnership) a trade, profession or vocation in the United Kingdom through a branch or agency to which the Ordinary Shares are attributable. There are certain exceptions for trading in the United Kingdom through independent agents, such as some brokers and investment managers.

#### *Corporation Tax*

Corporate UK Holders should not be subject to UK corporation tax on any dividend received from the company so long as the dividends qualify for exemption, which should generally be the case, provided certain conditions (including under anti-avoidance rules) are met. If the conditions for the exemption are not satisfied, or such UK Holder elects for an otherwise exempt dividend to be taxable, UK corporation tax will be chargeable on the amount of any dividends (currently at the rate of 19 per cent.).

A corporate holder of Ordinary Shares who is not resident for tax purposes in the United Kingdom

should not be within the scope of UK corporation tax in respect of dividends received from the company unless it carries on (whether solely or in partnership) a trade in the United Kingdom through a permanent establishment to which the Ordinary Shares are attributable.

#### **Chargeable Gains**

If a UK Holder disposes (or is treated as disposing) of some or all of its Ordinary Shares, a liability to tax on chargeable gains may arise, depending on the UK Holder's circumstances and any exemptions or reliefs which may be available.

#### *Individual UK Holders*

For an individual UK Holder, a disposal (or deemed disposal) of Ordinary Shares may give rise to a chargeable gain or allowable loss for the purposes of UK capital gains tax. For an individual UK Holder who is subject to UK income tax at either the higher or the additional rate, the current applicable rate of capital gains tax is 20 per cent.. For an individual UK Holder who is subject to UK income tax at the basic rate, the current applicable rate would be 10 per cent., save to the extent that any capital gains when aggregated with the UK Holder's other taxable income and gains in the relevant tax year exceed the unused basic rate tax band. In that case, the rate currently applicable to the excess would be 20 per cent.. An individual UK Holder is entitled to realise an annual exempt amount of gains (£12,300 for gains accruing on or after 6 April 2021) without being liable to UK capital gains tax.

#### *Corporate UK Holders*

For a UK Holder within the charge to UK corporation tax, a disposal (or deemed disposal) of Ordinary Shares may give rise to a chargeable gain or to an allowable loss for the purposes of UK corporation tax. The current rate of UK corporation tax is 19 per cent. Indexation allowance is not available in respect of disposals of Ordinary Shares acquired on or after 1 January 2018 (and only covers the movement in the retail prices index up until 31 December 2017, in respect of assets acquired prior to that date).

#### *Shareholders who are not UK Resident*

A holder of Ordinary Shares who is not resident for tax purposes in the United Kingdom should not normally be liable to UK capital gains tax or corporation tax on chargeable gains on a disposal (or deemed disposal) of Ordinary Shares unless (i) the person is carrying on (whether solely or in

partnership) a trade, profession or vocation in the United Kingdom through a branch or agency (or, in the case of a corporate holder of Ordinary Shares, through a permanent establishment) to which the Ordinary Shares are attributable or (ii) in respect of disposals made on or after 6 April 2019, the company directly or indirectly derives 75 per cent. or more of its qualifying asset value from UK land, in which case a holder may, depending on its circumstances, be liable for non-resident capital gains tax. However, an individual holder of Ordinary Shares who has ceased to be resident for tax purposes in the United Kingdom (including where an individual is treated as resident outside the United Kingdom for the purposes of a double tax treaty) for a period of five years or less and who disposes of Ordinary Shares during that period may be liable on his or her return to the United Kingdom to UK tax on any capital gain realised (subject to any available exemption or relief).

## **Stamp Duty and Stamp Duty Reserve Tax**

The discussion below relates to holders of Ordinary Shares, wherever resident. However, special rules may apply where Ordinary Shares are issued or transferred to, or to a nominee or agent for, a depositary receipt issuer or clearance service provider, which are briefly summarised below, or persons such as market makers, brokers, dealers or intermediaries.

### *Issue of Shares*

No UK stamp duty or stamp duty reserve tax ("SDRT") should ordinarily be payable on an issue of Ordinary Shares.

### *Transfers of certificated Ordinary Shares*

Stamp duty at the rate of 0.5 per cent. (rounded up to the next multiple of £5) of the amount or value of the consideration given is generally payable on an instrument transferring Ordinary Shares. An exemption from stamp duty is available on an instrument transferring Ordinary Shares where the amount or value of the consideration is £1,000 or less, and it is certificated on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions for which the aggregate consideration exceeds £1,000. A charge to SDRT will also arise on an unconditional agreement to transfer Ordinary Shares (at the rate of 0.5 per cent. of the amount or value of the consideration payable). However, if within six years of the date of the agreement becoming unconditional an instrument of transfer is executed pursuant to the agreement, and stamp duty is paid on that instrument, or the instrument is otherwise exempt, any SDRT already paid will be refunded (generally, but not necessarily, with interest) provided that a claim for repayment is made, and any outstanding liability to SDRT will be cancelled. The purchaser or transferee of Ordinary Shares will generally be accountable for the SDRT. In the absence of contractual agreement no party is legally responsible for the payment of stamp duty as it is not an assessable tax, however, in practice the purchaser or transferee will usually pay stamp duty to ensure that the company's register of members can be updated by the registrar to show the new ownership.

### *Ordinary Shares transferred through paperless means including CREST*

Paperless transfers of Ordinary Shares, such as those occurring within CREST, are generally liable to SDRT rather than stamp duty, at the rate of 0.5 per cent. of the amount or value of the consideration. CREST is obliged to collect SDRT on relevant transactions settled within the system and to pay this to HMRC. The SDRT charge is generally borne by the purchaser. Under the CREST System, no stamp duty or SDRT will arise on a transfer of Ordinary Shares into the CREST System unless such a transfer is made for consideration in money or money's worth, in which case a liability to SDRT (usually at a rate of 0.5 per cent.) will arise.

### *Ordinary Shares held through Clearance Systems or Depositary Receipt Arrangements*

Special rules apply where Ordinary Shares are issued or transferred to, or to a nominee or agent for, either a person whose business is or includes issuing depositary receipts within Section 67 or Section 93 of the Finance Act 1986 or a person providing a clearance service within Section 70 or Section 96 of the Finance Act 1986, under which SDRT or stamp duty may be charged at a rate of 1.5 per cent. Following litigation, HMRC confirmed that they will no longer seek to apply the 1.5 per cent. SDRT charge on an issue of shares into a clearance service or depositary receipt arrangement on the basis that the charge is not compatible with EU law. It was announced on 22 November 2017 that the government will not seek to reintroduce this charge following the departure of the UK from the European Union.

Based on current published HMRC practice and recent case law, no SDRT is generally payable where the transfer of shares to a clearance service or depositary receipt system is an integral part of an issue of share capital. Any liability for stamp duty or SDRT in respect of such a transfer that is not integral to an issue of share capital will generally be accountable by the clearance service or depositary receipt system operator or their nominee, as the case may be, but will, in practice, be payable by the participants in the clearance service or depositary receipt system.

Transfers of Ordinary Shares within a depositary receipt system or a clearance service that has not made and maintained an election under section 97A of the Finance Act 1986 (a "**section 97A election**") will be exempt from SDRT and, provided no instrument of transfer is entered into, will not be subject to stamp duty.

Where a clearance service has made and maintained a section 97A election the 1.5 per cent. charge will not apply. Rather, stamp duty or SDRT will be charged at the normal rate of 0.5 per cent. on the transfer of existing shares into and within the clearance service.

**Accordingly, specific professional advice should be sought before incurring a 1.5 per cent. stamp duty or stamp duty reserve tax charge in any circumstances.**

#### ***Inheritance tax***

The Ordinary Shares will be assets situated in the UK for the purposes of UK inheritance tax. A gift of such assets by, or the death of, an individual holder of such assets may (subject to certain exemptions and reliefs) give rise to a liability to UK inheritance tax even if the holder is neither domiciled in the UK nor deemed to be domiciled there under certain rules relating to long residence or previous domicile. For inheritance tax purposes, a transfer of assets at less than full market value may be treated as a gift and particular rules apply to gifts where the donor reserves or retains some benefit.

Special rules also apply to close companies and to trustees of settlements who hold Ordinary Shares, bringing them within the charge to inheritance tax. Shareholders should consult an appropriate tax adviser if they make a gift or transfer at less than market value or intend to hold any Ordinary Shares through trust arrangements. They should also seek professional advice in a situation where there is potential for a double charge to UK inheritance tax and an equivalent tax in another country or if they are in any doubt about their UK inheritance tax position.

#### ***Isle of Man Taxation***

The statements set out below are intended only as a general guide to current aspects of Isle of Man taxation. The summary does not purport to be an exhaustive analysis of all potential Isle of Man tax. If you are in any doubt as to your tax position or if you may be subject to tax in any other jurisdiction, you are strongly recommended to consult an appropriate professional adviser.

#### ***Tax residence in the Isle of Man***

The Company is resident for taxation purposes in the Isle of Man by virtue of being incorporated in the Isle of Man.

#### ***Capital taxes in the Isle of Man***

The Isle of Man has a regime for the taxation of income, but there are no capital duties, stamp taxes or inheritance taxes in the Isle of Man. No Isle of Man stamp duty or SDRT will be payable on the issue or transfer of, or any other dealing in, the Shares.

#### ***Zero rate of corporate income tax in the Isle of Man***

The Isle of Man now operates a zero rate of tax for most corporate taxpayers. This will include the Company. Under this regime, the Company is subject to corporate income tax in the Isle of Man at the standard rate of zero percent; there is no withholding to be made by the Company on account of Isle of Man tax in respect of dividends paid by the Company.

#### ***Deductions in respect of Isle of Man employees***

The application of the zero rate of corporate income tax described above does not affect the liability of a company to deduct and account for income tax under the Isle of Man Income Tax (Instalment Payments) Act 1974 or national insurance contributions, if applicable, although this is not relevant to the Company as it does not have, nor does it currently intend to engage, any Isle of Man employees.

### ***Automatic Exchange of Information Requirements***

The Isle of Man like many other jurisdictions around the world has signed Intergovernmental Agreements to improve International Tax Compliance. These are referred to as the Automatic Exchange of Information for Tax Matters (AEOI). More specifically these agreements are the US Foreign Account Tax and Compliance Act (FATCA) and the Common Reporting Standard (CRS). Information in respect of investors that the Company pays interest and or dividends to and who that are identified as being reportable will be provided to the jurisdiction that the investor has confirmed as their country of residence for tax purposes.

### ***Isle of Man probate***

In the event of the death of a sole holder of Shares an Isle of Man grant of probate or administration may be required, in respect of which certain fees will be payable to the Isle of Man government.

## PART XV

### CONSEQUENCES OF A STANDARD LISTING

Application has been made for the Ordinary Shares to be admitted to the standard listing segment of the Official List (“**Standard Listing**”). A Standard Listing affords Shareholders and investors in the Company a lower level of regulatory protection than that afforded to investors in companies whose securities are admitted to the premium segment of the Official List, which are subject to additional obligations under the Listing Rules.

The Ordinary Shares will be admitted to listing on the standard segment of the Official List pursuant to Chapter 14 of the Listing Rules, which sets out the requirements for Standard Listings. The Company intends to comply with the Listing Principles set out in Chapter 7 of the Listing Rules at Listings Rules 7.2.1 which apply to all companies with their securities admitted to the Official List. In addition, the Company also intends to comply with the Listing Principles at Listing Rule 7.2.1A notwithstanding that they only apply to companies which obtain a Premium Listing on the Official List. With regard to Listing Principles at 7.2.1A, the Company is not, however, formally subject to such Listing Principles and will not be required to comply with them by the FCA.

#### **Listing Rules which are not applicable to a Standard Listing**

Such non-applicable Listing Rules include, in particular:

- Chapter 8 of the Listing Rules regarding the appointment of a listing sponsor to guide the Company in understanding and meeting its responsibilities under the Listing Rules in connection with certain matters. In particular, the Company is not required to appoint a sponsor in relation to the publication of this Document or Admission;
- Chapter 9 of the Listing Rules relating to further issues of shares, issuing shares at a discount in excess of 10 per cent. of market value, notifications and contents of financial information;
- Chapter 10 of the Listing Rules relating to significant transactions which requires Shareholder consent for certain acquisitions;
- Chapter 11 of the Listing Rules regarding related party transactions. NB. In accordance with the controls in place within the Company, it will not enter into any transaction which would constitute a “related party transaction” as defined in Chapter 11 of the Listing Rules without the specific prior approval of a majority of the Directors;
- Chapter 12 of the Listing Rules regarding purchases by the Company of its Ordinary Shares; and
- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to Shareholders.

The Company is not currently eligible for a Premium Listing under Chapter 6 of the Listing Rules and does not currently intend to seek to transfer to either a Premium Listing or other listing venue.

#### **Listing Rules with which the Company must comply under a Standard Listing**

There are, however, a number of continuing obligations set out in Chapter 14 of the Listing Rules that will be applicable to the Company. These include requirements as to:

- the forwarding of circulars and other documentation to the FCA for publication through the document viewing facility and related notification to a regulatory information service;
- the provision of contact details of appropriate persons nominated to act as a first point of contact with the FCA relation to compliance with the Listing Rules and the Disclosure Guidance and Transparency Rules;
- the form and content of temporary and definitive documents of title;

- the appointment of a registrar;
- the making of regulatory information service notifications in relation to a range of debt and equity capital issues; and
- at least 25 per cent. of the Ordinary Shares being held by the public.

**It should be noted that the FCA will not have the authority to (and will not) monitor the Company's compliance with any of the Listing Rules which the Company intends to comply with on a voluntary basis and/or any provision of the Company's share dealing code, nor to impose sanctions in respect of any failure by the Company to so comply. However the FCA would be able to impose sanctions for non-compliance where the statements regarding compliance in this Document are themselves misleading, false or deceptive.**

## **PART XVI**

### **ADDITIONAL INFORMATION**

#### **1. Responsibility**

The Directors, whose names appear on page 29, and the Company accept responsibility for the information contained in this Document. To the best of the knowledge of the Directors, and the Company, the information contained in this Document is in accordance with the facts and this Document makes no omission likely to affect its import.

#### **2. The Company**

- 2.1. The Company was incorporated and registered in the Isle of Man under the Isle of Man Companies Act on 20<sup>th</sup> July 2012 with the name of African Pioneer Limited and with company registration number 008591V as a company limited by shares.
- 2.2. The Company is not regulated by the Isle of Man Financial Services Authority or the FCA or any other financial regulator. With effect from Admission the Company will be subject to the Listing Rules and the DTR (and the resulting jurisdiction of the FCA), to the extent such rules apply to companies with a Standard Listing.
- 2.3. The principal legislation under which the Company operates is the Isle of Man Companies Act 2006. The Company operates in conformity with the Articles and the laws of Isle of Man.
- 2.4. The registered office of the Company is 34 North Quay, Douglas, Isle of Man IM1 4LB. The telephone number of the Company's registered office address is +44 1624 679000.
- 2.5. The liability of the members of the Company is limited.
- 2.6. The address of the Company's website is [www.africanpioneerplc.com](http://www.africanpioneerplc.com). The information on the website does not form part of the prospectus unless that information is incorporated by reference into the prospectus.
- 2.7. The ISIN number of the Ordinary Shares is IM00B8C0HK22.
- 2.8. The Company's LEI is 213800QQF8O18CMJPW43

#### **3. The Group**

- 3.1. Immediately following Admission, the Company will have three subsidiaries, details of which are set out below:
  - 3.1.1. Zamcu Exploration Pty Ltd (“**Zamcu**”), incorporated in Australia on 13 November 2018 with registration number ACN 629 989 877. Zamcu holds 70 per cent. interest in:
    - 3.1.1.1. Manmar Investments One Hundred and Twenty Nine (Pty) Ltd 2014/0865 Incorporated in Namibia on 18 September 2014; and
    - 3.1.1.2. Manmar Investments One Three Six (Pty) Ltd 2015/0013 Incorporated in Namibia on 20 January 2015.
  - 3.1.2. Resource Capital Partners Pty Ltd (“**RCP**”) incorporated in Botswana on 27 May 2020 with company number: CO 1829212; and
  - 3.1.3. African Pioneer Zambia Pty Ltd, incorporated in Zambia on 23<sup>rd</sup> September 2020 with registration number 120200007992.

#### 4. Share Capital

4.1. The authorised and issued share capital of the Company at the date of this Document and following Admission is and will be as follows:

As at the date of this Document*				On Admission			
Existing Ordinary Shares				Ordinary Shares			
	Authorised £ Number		Issued** £ Number		Authorised £ Number		Issued*** £ Number
N/A	1,000,000,000	N/A	11,729,826 (no par value)	N/A	1,000,000,000	N/A	189,459,550 (no par value)

\* being the date to which the most recent balance sheet for the Company has been prepared and set out in Part X of this Document.

\*\* All issued Existing Ordinary Shares are fully paid up with zero par value

\*\*\* All 177,729,724 New Ordinary Shares will be issued and fully paid up on Admission.

4.2. The following changes to the issued share capital of the Company have occurred since 20 July 2012, being the Company's date of incorporation.

4.3. The Company was incorporated on 20 July 2012 with an issued share capital of 2 ordinary shares which were allotted to Cavendish Square Limited and Cavendish International Limited, two in-house companies of Cavendish Trust Company Limited. These shares were transferred to Tiger Royalties and Investments Plc effective 22<sup>nd</sup> August 2012.

4.4. On 22 July 2012, the Company issued and allotted 10,000,000 Ordinary Shares each to Bruce Rowan, Colin Bird, Raju Samtani and Michael Nolan plus a further 40,000,000 Ordinary Shares being a total of 80,000,000 Ordinary Shares at 0.1 pence per Ordinary Share to satisfy the minimal nominal capital requirement of £50,000 for a public company. This issue of Ordinary Shares raised a total of £80,000 for the Company.

4.5. On 23 August 2012, Tiger Royalty and Investments Plc subscribed for a further 17,000,000 Ordinary Shares at 1 pence each raising a total of £170,000.

4.6. On 10 October 2012, the Company raised a further £153,000 through a private placing by issuing 15,300,000 Ordinary Shares at 1 pence per Ordinary Share to a group of external investors.

4.7. On 2 July 2015, Bruce Rowan, Colin Bird, Raju Samtani and Michael Nolan subscribed for a further 617,282 Ordinary Shares each and Tiger Royalties and Investments Plc also subscribed for a further 2,529,130 Ordinary Shares at 1 pence per Ordinary Share. A total of 4,998,258 Ordinary Shares were issued on this date.

4.8. On 7 December 2020 at the Company's extraordinary general meeting, a resolution was passed consolidating the existing shares of the Company of a basis of 1 new share for every 10 then existing shares resulting in the issued share capital of 117,298,260 Ordinary Shares being reduced to 11,729,826 Ordinary Shares comprising the Existing Issued Share Capital as at the date of this document.

4.9. On 21 October 2020, the Company entered into a Convertible Loan Note agreement with Sanderson Capital Partners Limited ("SCP") under which SCP subscribed £150,000 for loan notes due to convert on Admission into 8,571,428 New Ordinary Shares in the Company. In addition, SCP has the right to subscribe (for a period of 3 years from 21 October 2020) for one Ordinary Share in the Company at a price being the lower of 3.5 pence per Ordinary Share or the issue price of the shares at Admission (subject to the Company's shares being successfully admitted on a recognised exchange) for every Ordinary Share issued to the Loan Note Holder following conversion of the Loan Notes.

4.10. On 29 October 2020, the Company entered into a share purchase agreement ("Zamcu SPA") with the shareholders of Zamcu Exploration Pty Ltd which will result in the issue of 10,000,000 Consideration Shares to the vendors on Admission. The Zamcu SPA has been extended until 31<sup>st</sup> May 2021 by addenda executed on 17<sup>th</sup> December 2020, 27<sup>th</sup> January 2021 and 31<sup>st</sup> March 2021 to allow for Admission later than originally expected.

4.11.On 26 October 2020, Zamcu Exploration Pty Ltd and the Company entered into share purchase agreement with the shareholders of Manmar Investments 129 Pty Ltd (“129 SPA”) and Manmar Investments 136 Pty Ltd (“136 SPA”) which will result in the issue of approximately 4,742,857 Consideration Shares on Admission. Both the 129 SPA and 136 SPA have been extended until 31<sup>st</sup> May 2021 by addenda executed on 14<sup>th</sup> December 2020, 27<sup>th</sup> January 2021 and 31<sup>st</sup> March 2021 to allow for Admission later than originally expected.

4.12.On 29 October 2020 the Company entered into a share purchase agreement with the shareholders of Resource Capital Partners Pty Ltd (“RCP SPA”) that will result in the issue of 10,000,000 Consideration Shares on to the vendors Admission. The RCP SPA has been extended until 31<sup>st</sup> May 2021 by addenda executed on 17<sup>th</sup> December 2020, 27<sup>th</sup> January 2021 and 31<sup>st</sup> March 2021 to allow for Admission later than originally expected.

4.13.On 25 November 2020, the Company entered into a share purchase agreement with the shareholders of African Pioneer Zambia Ltd (“APZ SPA”) which will result in the issue of 55,000,000 Consideration Shares on Admission.

4.14.On 20 November 2020 Zamcu Exploration Pty Ltd and the Company entered into an introduction mandate agreement with Avanti Resources Pty Ltd as trustee for the Marlow Super Fund that will result in the issue of approximately 4,900,000 Consideration Shares on Admission.

4.15.On 11 March 2021 the Company entered into a Convertible Loan Note Subscription Agreement with Sandfire Resources Limited, listed on the Australian Stock Exchange (“Sandfire”) under which Sandfire subscribed for US\$500,000 of interest free unsecured loan notes to Sandfire convertible upon Admission into Ordinary Shares constituting 15 per cent. of the Company’s issued share capital. Pursuant to the loan notes, upon conversion, Sandfire has the right to nominate a director to the Board of the Company whilst their shareholding remains at or above 15 per cent. of the issued share capital; the appointment will be subject to customary due diligence, although Sandfire has not indicated that they will take up this right and has not identified a candidate to date; additionally, Sandfire will have the right to participate in all future share offerings subscribers so as to maintain its shareholding at 15 per cent., irrespective of any disapplication or non-application of pre-emption rights. The Shares issued to Sandfire at Admission will be subject to a 12 month lock-in during which the Shares are not permitted to be sold, followed by a 12 month orderly markets period during which sellers are required to work with the Company’s broker for 10 days prior to making any sale.

4.16.In connection with the Admission the Company, via its Broker, is raising £1,750,000 at an issue price of 3.5 pence per Ordinary Share and will allot 50,000,000 Placing Shares on Admission.

4.17.On 20 June 2018, the Company entered into a loan agreement with Tiger Royalties and Investments Plc (“Tiger”) under which Tiger loaned to the Company £100,000 due to convert on Admission into 2,857,143 New Ordinary Shares in the Company as agreed between Tiger and APP under a settlement letter, dated 8 February 2021.

4.18.The Ordinary Shares, which will be denominated and traded in pounds sterling, will be listed on the Official List by way of a Standard Listing and will be traded on the Main Market of the LSE. The Shares are not listed or traded on, and no application has been or is being made for the admission of the Shares to listing or trading on, any other stock exchange or securities market.

4.19.All Ordinary Shares are fully paid up.

## **5. Articles of Association**

A summary of the principal provisions of the Articles, including the provisions relating to the rights attaching to the Ordinary Shares, is set out below. The summary below is not a complete copy of the terms of the Articles. A complete copy of the Articles is available for inspection as described at paragraph 22 of this Part XVI.

### ***Memorandum and Articles of Association***

The Isle of Man Companies Act 2006 (the “**Act**”) provides that the memorandum of association of a company may contain a statement specifying the purposes for which a company is established or the business, activities or transactions which the company is permitted to take or the restrictions (if any) upon such purposes, business, activities or transactions for which the company is established. Any such statement is without prejudice to the provision of the Act stating that a company has unlimited capacity to carry on or undertake any business or activity and to do or be subject to any act or to enter into any transaction.

The memorandum of association of the Company does not set forth any purposes for which the Company was established or any other restrictions or limitations on the exercise of its rights, powers and privileges.

### ***Articles of Association***

The following is a summary of the principal provisions of the Articles.

(a) *Capital Structure*

Unless the Company shall by resolution otherwise direct, the Company is authorised to issue a maximum of 1,000,000,000 no par value shares of a single class.

(b) *Variation of rights*

Subject to the provisions of the Act, if at any time the share capital of the Company is divided into shares of different classes any of the rights for the time being attached to any share or class of shares in the Company (and notwithstanding that the Company may be or be about to be in liquidation) may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated in such manner (if any) as may be provided by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three quarters in par value of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of the holders of shares of the class duly convened and held as provided in the Articles. This paragraph shall apply also to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the separate rights of which are to be varied. Subject to the terms of issue or the rights attached to any shares, the rights or privileges attached to any class of shares shall be deemed not to be varied or abrogated by the Board resolving that a class of shares is to become or to cease to be a share or class of shares or a renounceable right of allotment or a share, title to which is permitted to be transferred by means of a relevant system in accordance with the CREST Regulations.

(c) *Alteration of capital*

To the extent that the shares in the capital of the Company comprise shares with a par value, the Company in general meeting may from time to time by ordinary resolution:

- (i) increase its share capital by such sum to be divided into shares of such amount as the resolution prescribes;
- (ii) consolidate and/or divide, re-designate or redenominate or convert all or any of its share capital into shares of larger or smaller par value, into shares having a purchase price of another currency or into different classes of shares than its existing shares; and
- (iii) sub-divide its shares or any of them into shares of smaller par value and may by such resolution determine that as between the shares resulting from such subdivision, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights or be subject to any such restrictions as the Company has power to attach to unissued or new shares but so that the proportion between the amount paid up and the amount (if any) not paid up on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived. Subject to compliance with the solvency test (as defined in section 49 of the Act) and to any rights for the time being attached to any shares, the Company may by special resolution reduce its paid up share capital.

To the extent that the shares in the capital of the Company comprise shares with no par value, the Company in general meeting may from time to time by ordinary resolution consolidate and/or divide, re-designate or redenominate or convert all or any of its share capital into shares of larger or smaller amount, or into different classes of shares than its existing shares.

(d) *Issue of Ordinary Shares*

Subject to the provisions of the Articles summarised in paragraph 5(e) below (Pre-emption rights), and subject to any resolution of the Company, all unissued shares in the Company shall be at the disposal of the Board and they may allot, grant options over or otherwise deal with or dispose of them to such persons, at such times and on such terms as the Board may decide.

(e) *Pre-emption rights*

The Act provides that the statutory rights of pre-emption set forth in section 36 thereof shall only apply where the memorandum or articles of association of the company expressly provide that such section shall apply, but not otherwise. Section 36 also permits a company to provide for modified rights of pre-emption in its memorandum or articles of association. The Articles do not expressly provide that section 36 of the Act shall apply to the Company. The Articles provide for the following rights of pre-emption. Subject as indicated in the paragraph below, and unless the Company shall by special resolution, otherwise direct, unissued shares in the capital of the Company shall only be allotted for cash in accordance with the following provisions:

- (i) all shares to be allotted (the "offer shares") shall first be offered to the members of the Company who the Directors determine can be offered such shares without the Company incurring securities offering compliance costs which, in the opinion of the Directors, would be burdensome given the number of members in the relevant jurisdiction in relation to which such compliance costs would be incurred (the "relevant members");
- (ii) the offer to relevant members set out in sub-paragraph (i) above (the "offer") shall be made in proportion to the existing holdings of shares of relevant members;
- (iii) the offer shall be made by written notice (the "offer notice") from the Directors specifying the number and price of the offer shares and shall invite each relevant member to state in writing within a period, not being less than fourteen days, whether they are willing to accept any offer shares and, if so, the maximum number of offer shares they are willing to take;
- (iv) at the expiration of the time specified for acceptance in the offer notice the Directors shall allocate the offer shares to or amongst the relevant member who shall have notified to the Directors of their willingness to take any of the offer shares but so that no relevant member shall be obliged to take more than the maximum number of shares notified by him under sub-paragraph (iii) above; and
- (v) if any offer shares remain unallocated after the offer, the Directors shall be entitled to allot, grant options over or otherwise dispose of those shares to such persons on such terms and in such manner as they think fit save that those shares shall not be disposed of on terms which are more favourable to their subscribers than the terms on which they were offered to the relevant members.

The provisions of the paragraph above shall not apply to the allotment of any shares for a consideration other than cash or in connection with an employee's share scheme, and, accordingly, the Directors may allot or otherwise dispose of any unissued shares in the capital of the Company for a consideration other than cash to such persons at such times and generally on such terms as they may think fit. A reference in the foregoing paragraphs to the allotment of any shares includes the grant of a right to subscribe for, or to convert any securities into, shares but such reference does not include the allotment of any relevant shares pursuant to such a right.

(f) *Voting Rights*

Subject to any special terms as to voting on which any shares may have been issued or may for the time being be held and to any suspension or abrogation of voting rights pursuant to the Articles, at any general meeting every member who (being an individual) is present in person or by proxy, shall on a show of hands have one vote and every member who (being a corporation) is present by duly

authorised corporate representative or by proxy shall on a show of hands have one vote, and on a poll every member present in person or by proxy shall have one vote for each share of which he is the holder.

(g) *Dividends*

Subject to the provisions of the Articles, the Company may, subject to the satisfaction of the solvency test (as defined in section 49 of the Act), by resolution declare that dividends out of the Company's profits be paid to members according to their respective rights and interests in the profits of the Company. However, no dividend shall exceed the amount recommended by the Board. There is no fixed date on which an entitlement to dividend arises.

(h) *Transfer of shares*

Each member may transfer all or any of his shares in the case of certificated shares by instrument of transfer in writing in any usual form or in any form approved by the Board or in the case of uncertificated shares without a written instrument in accordance with the CREST Regulations. Any written instrument shall contain the business or residential address of the transferee and be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Company's register of members as the holder of the share.

No transfer of any share shall be made:

- (i) to a minor; or
- (ii) to a bankrupt; or
- (iii) to any person who is, or may be, suffering from mental disorder and either:
  - (A) has been admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 (an Act of Parliament) or any similar statute relating to mental health (whether in the United Kingdom, the Isle of Man or elsewhere); or
  - (B) an order has been made by any court having jurisdiction (whether in the United Kingdom, the Isle of Man or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs,

and the Directors shall refuse to register the purported transfer of a share to any such person.

The Board may in its absolute discretion and without giving any reason refuse to register any transfer of a certificated share unless:

- (i) it is in respect of a share which is fully paid up;
- (ii) it is in respect of a share on which the Company has no lien;
- (iii) it is in respect of only one class of shares;
- (iv) it is in favour of single transferee or not more than four joint transferees;
- (v) it is duly stamped (if so required);
- (vi) it is delivered for registration to the registered agent of the Company, or such other person as the Board may from time to time appoint, accompanied (except in the case of a transfer where a certificate has not been required to be issued) by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor and the due execution by him of the transfer or if the transfer is executed by some other person on his behalf, the authority of that person to do so; and
- (vii) the holding of such share would not result in a regulatory, pecuniary, legal, taxation or material administrative disadvantage to the Company or its shareholders as a whole provided that such discretion may not be exercised in such a way as to prevent dealings in the shares from taking place on an open and proper basis,

provided that such discretion may not be exercised in such a way as to prevent dealings in such shares from taking place on an open and proper basis.

(i) *Directors*

Unless and until otherwise determined by the Company by resolution, the number of Directors (other than alternate Directors) shall be not less than two or more than eight. Directors may be appointed by the Company by resolution or by the Board, either to fill a vacancy or as an addition to the existing Board. If appointed by the Board, that Director holds office until the next annual general meeting, at which he shall be eligible for re-election but shall not be taken into account in determining the number of Directors who are to retire by rotation at the meeting. At every annual general meeting one third of the Directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to but not exceeding one third shall retire from office by rotation provided that if there is only one Director who is subject to retirement by rotation, he shall retire.

(j) *Directors' Interests*

A Director who to his knowledge is in any way (directly or indirectly) interested in any contract arrangement, transaction or proposal with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract, arrangement, transaction or proposal is first considered if he knows his interest then exists or, in any other case, at the first meeting of the Board after he knows that he is or has become so interested. Save as provided below, a Director shall not vote on or be counted in the quorum in relation to any resolution of the Board or of a committee of the Board concerning any contract, arrangement, transaction or any proposal whatsoever to which the Company is or is to be a party and in which (together with any interest of any person connected with him within the meaning of section 252 to 255 of the UK Companies Act 2006) he has (directly or indirectly) an interest which is material (other than by virtue of his interests in shares or debentures or other securities of, or otherwise in or through the Company) or a duty which conflicts with the interests of the Company unless his duty or interest arises only because the resolution relates to one of the matters set out in the following sub-paragraphs in which case he shall be entitled to vote and be counted in the quorum:

- (i) the giving to him of any guarantee, security or indemnity in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;
- (ii) the giving to a third party of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part either alone or jointly with others, under a guarantee or indemnity or by the giving of security;
- (iii) where the Company or any of its subsidiaries is offering securities in which offer the Director is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which the Director is to participate;
- (iv) relating to another company in which he and any persons connected with him (within the meaning of sections 252 to 255 of the UK Companies Act 2006) do not to his knowledge hold an interest in shares (as that term is used in sections 820 to 825 of the UK Companies Act 2006) representing one per cent. or more of either any class of the equity share capital, or the voting rights, in such company;
- (v) relating to an arrangement for the benefit of the employees of the Company or any of its subsidiaries which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates; or
- (vi) concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons including Directors.

An interest of a person who is, for any purpose of the Act (excluding any such modification thereof not in force when the Articles became binding on the Company), connected with a Director shall be treated as an interest of the Director and, in relation to an alternate Director, an interest of his appointor shall be treated as an interest of the alternate Director without prejudice to any interest which the alternate Director otherwise has.

A Director shall not vote or be counted in the quorum on any resolution of the Board or committee of the Board concerning his own appointment (including fixing or varying the terms of his appointment or its termination) as the holder of any office or place of profit with the Company or any company in which the Company is interested. Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment or termination) of two or more Directors to offices or places of profit with the Company or any company in which the Company is interested, such proposals may be divided and a separate resolution considered in relation to each Director. In such case each of the Directors concerned (if not otherwise debarred from voting under the Articles) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment. The Directors (other than alternate directors) shall be entitled to receive by way of fees for their services as Directors such sum as the Board may from time to time determine (not exceeding £200,000 per annum or such other sum as the Company in general meeting shall from time to time determine). Executive Directors may be paid money in addition to any fee payable to him for his services as a Director. Each Director is entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by him in the performance of his duties as a Director. Subject to the Act, the Company may indemnify every Director, alternate Director or other officer of the Company (other than an auditor) to the fullest extent permitted by law.

(k) *Disclosure of interests*

A person must notify the Company of the percentage of its voting rights if the percentage of voting rights which he holds as shareholder or through his direct or indirect holding of financial instruments (being financial instruments falling within Rule 5.3 of the Disclosure Rules and Transparency Rules of the UK Financial Services Authority (the "DTR")) (or a combination of such holdings) has reached or exceeded 3 per cent., 4 per cent., 5 per cent., 6 per cent., 7 per cent., 8 per cent., 9 per cent. or 10 per cent.

A person must notify the Company of the percentage of voting rights held if the percentage of voting rights which he holds as shareholder or through his direct or indirect holding of financial instruments (or a combination of such holdings):

- (a) reaches, exceeds or falls below 3 per cent, 4 per cent, 5 per cent, 6 per cent, 7 per cent, 8 per cent, 9 per cent. or 10 per cent. and each 1 per cent. threshold thereafter up to 100 per cent.; or
- (b) reaches, exceeds or falls below an applicable threshold in (a) as a result of events changing the breakdown of voting rights and on the basis of information disclosed by the Company.

A person shall not be required to aggregate his holding in the circumstances prescribed in Rule 5.4 of the DTR. A notification given in accordance with the Articles shall include the following information (the "Required Information"):

- (i) the percentage of voting rights held or which may be exercised, or the resulting situation in terms of voting rights and the date on which the relevant threshold was reached or crossed;
- (ii) if applicable, the chain of controlled undertakings through which voting rights are effectively held;
- (iii) the identity of the shareholder, even if that shareholder is not entitled to exercise voting rights and of the person entitled to exercise voting rights on behalf of that shareholder;
- (iv) the price, amount and class of shares concerned;
- (v) in the case of a holding of financial instruments, the following information must be disclosed:
  - (A) for financial instruments with an exercise period, an indication of the date or time period where shares will or can be acquired, if applicable;
  - (B) date of maturity or expiration of the financial instruments;
  - (C) identity of the holder;
  - (D) name of the underlying company; and
  - (E) detailed nature of the financial instruments, including full details of the exposure to Ordinary Shares; and

- (vi) any other information required by the Company or prescribed by the DTR.

An obligation to give a notice to the Company shall be fulfilled as soon as possible and in any event before the end of the second working day after the relevant person learns the relevant threshold was reached or crossed.

Every person who holds 3 per cent. or more of the voting rights of any relevant class of shares of the Company shall, for as long as he holds such voting rights, be under a continuing obligation to give to the Company notice in writing of the Required Information and of any change in the Required Information, of which he becomes aware at any time after the event (or if more than one the most recent event) by virtue of which he became obliged by the Articles to give notice to the Company of his percentage of voting rights held. A notice given shall be given before the end of the second working day after the day on which the person giving the notice becomes aware of the relevant facts.

(l) *Suspension of rights*

The Board may at any time serve a notice ("Information Notice") upon a member requiring the member to disclose to the Board in writing within such period (being no less than ten days and not more than thirty days) as may be specified in the notice, information relating to any beneficial interest of any third party or any other interest of any kind whatsoever which a third party may have in relation to any or all shares registered in the member's name. If a member has been issued with an Information Notice and has failed in relation to any shares the subject of the Information Notice ("relevant shares") to furnish any information required by such notice within the time period specified therein, then the Board may at any time following fourteen days from the expiry of the date on which the information required to be furnished pursuant to the relevant Information Notice is due to be received by the Board, serve on the relevant holder a notice (in this paragraph called a "disenfranchisement notice") whereupon the following sanctions shall apply:

- (i) Voting: the member shall not with effect from the service of the disenfranchisement notice be entitled in respect of the relevant shares to attend or to vote (either in person or by representative or proxy) at any general meeting of the Company or at any separate meeting of the holders of any class of shares of the Company or on any poll or to exercise any other right conferred by membership in relation to any such meeting or poll; and
- (ii) Dividends and transfers where the relevant shares represent at least 0.25 per cent. of the total number of shares in issue of their class:
  - (A) any dividend or other money payable in respect of the relevant shares shall be withheld by the Company, which shall not have any obligation to pay interest on it and the member shall not be entitled to elect pursuant to the Articles to receive shares instead of that dividend; and
  - (B) subject in the case of uncertificated shares to the relevant CREST Regulations, no transfer, other than an approved transfer, or any relevant shares held by the member shall be registered unless the member is not himself in default as regards supplying the information required pursuant to the relevant Information Notice and the member proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the shares which are the subject of the transfer.

(m) *Borrowing powers*

Subject to the other provisions of the Articles and to the Act, the Directors may exercise all the powers of the Company to borrow money, to guarantee, to indemnify and to mortgage or charge its undertaking, property, assets (present and future) and uncalled capital or any part or parts thereof and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(n) *General Meetings*

The Board shall convene in each year a general meeting of the members of the Company called the annual general meeting; any annual general meeting shall be held at such time and place (and, if appropriate, with similar facilities for electronic attendance and participation) as the Board may determine.

A printed copy of the Directors' and Auditor's reports accompanied by printed copies of the annual accounts shall be delivered or sent by post to every member not less than twenty-one clear days before the meeting before which they are to be laid. All general meetings, other than annual general meetings, shall be called general meetings.

The Board may convene any general meeting whenever it thinks fit. The Board shall determine whether any general meeting is to be held as:

- (a) a physical general meeting; or
- (b) a combined physical and electronic general meeting

At any meeting convened on such requisition (or any meeting requisitioned pursuant to section 67(2) of the Act) no business shall be transacted except that stated by the requisition or proposed by the Board. If there are not sufficient members of the Board to convene a general meeting, any Director or any member of the Company may call a general meeting. Any general meeting including annual general meetings shall be convened by not less than fourteen clear days' notice in writing. Notwithstanding that a meeting is convened by shorter notice than that specified in the Articles, it shall be deemed to have been properly convened if it is so agreed by 90 per cent. of the members entitled to attend and vote at the meeting.

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business but the absence of a quorum shall not preclude the choice or appointment of a Chairman which shall not be treated as part of the business of the meeting. Subject to the provisions of the Articles, two persons entitled to attend and to vote on the business to be transacted, each being a member present in person or a proxy for a member, shall be a quorum. Two or more persons who may not be in the same place as each other attend a general meeting if their circumstances are such that if they have rights to speak and vote at that meeting, they are able to exercise them. A person is able to participate in a meeting if his circumstances are such that if he has rights in relation to the meeting, he is able to exercise them. In determining whether persons are attending or participating in a meeting, other than a physical general meeting, it is immaterial where any of them are or how they are able to communicate with each other.

If within fifteen minutes (or such longer interval not exceeding one hour as the Chairman in his absolute discretion thinks fit) from the time appointed for the holding of a general meeting a quorum is not present, or if during a meeting such a quorum ceases to be present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case, the meeting shall stand adjourned to later on the same day, to the same day in the next week at the same time and place (and, if appropriate, with similar or equivalent facilities for electronic attendance and participation), or to such other day and at such time and place as the Chairman (or, in default, the Board) may determine, being not less than fourteen nor more than twenty-eight days thereafter. If at such adjourned meeting a quorum is not present within fifteen minutes from the time appointed for holding the meeting with one member present in person or by proxy or (being a corporation) by a duly authorised representative shall be a quorum. If no such quorum is present or, if during the adjourned meeting a quorum ceases to be present, the adjourned meeting shall be dissolved. The Company shall give at least seven clear days' notice of any meeting adjourned through lack of quorum (where such meeting is adjourned to a day being not less than fourteen nor more than twenty-eight days thereafter).

(o) *Winding up*

If the Company is wound up, the surplus assets remaining after payment of all creditors are to be divided among the members in proportion to the capital which at the commencement of the winding up is paid up on the shares held by them respectively and, if such surplus assets are insufficient to repay the whole of the paid up capital, they are to be distributed so that as nearly as may be the losses are borne by the members in proportion to the capital paid up at the commencement of the winding up on the shares held by them respectively, subject to the rights attached to any shares which may be issued on special terms or conditions.

If the Company is wound up the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by law, divide among the members in specie the whole or any part of the assets of the Company and may for that purpose value any assets and determine how the division

shall be carried out as between the members or different classes of members. Any such division may be otherwise than in accordance with the existing rights of the members but if any division is resolved otherwise than in accordance with such rights the members shall have the same right of dissent and consequential rights as if such resolution were a special resolution passed pursuant to section 222 of the Isle of Man Companies Act 1931 (which provision applies to the Company (with statutory modification) pursuant to the Act). The liquidator may with the like sanction vest the whole or any part of the whole of the assets in trustees on such trusts for the benefit of the members as he with the like sanction shall determine but no member shall be compelled to accept any assets on which there is a liability.

A resolution sanctioning a transfer or sale to another company duly passed pursuant to section 222 of the Isle of Man Companies Act 1931 (which provision applies to the Company (with statutory modification) pursuant to the Act) may in the like manner authorise the distribution of any shares or other consideration receivable by the liquidator among the members otherwise than in accordance with their existing rights and any such determination shall be binding on all the members, subject to the right of dissent and consequential rights conferred by the said section.

## **6. Directorships and Partnerships**

6.1 In addition to their directorships of the Company, the Directors are, or have been, members of the administrative, management or supervisory bodies ("directorships") or partners of the following companies or partnerships, at any time in the five years prior to the date of this Document.

### **6.1.1 *Christian Cordier:***

<i>Current Directorships</i>	<i>Previous Directorships</i>
Coreks Super Pty Ltd	Infinity Lithium Corporation Ltd
Tonehill Pty Ltd	Global Exploration Technologies Pty Ltd
Mystic Light Pty Ltd	
Resource Capital Partners Pty Ltd	
Breamline Pty Ltd	
Zamcu Exploration Pty Ltd	
Coastal Resources Pty Ltd	
Future Coal Pty Ltd	
Hepburn Resources Pty Ltd	
Virgo Metals Pty Ltd	
Virgo Resources Ltd	
Metrock Resources Ltd	
Cypress Sources Pty Ltd	
Coastal Minerals Pty Ltd	
Resource Capital Partners Pty Ltd	
Crocus-Serve Resources Pty Ltd	
Virgo Business Solutions Pty Ltd	
Hope and Gorob Mining Pty Ltd	
Hope Namibia Mineral Exploration Pty Ltd	
Manmar Investments 129 (Pty) Ltd	
Manmar Investments One Three Six (Pty) Ltd	

6.1.2	<b>Raju Samtani:</b>	
	<i>Current Directorships</i>	<i>Previous Directorships</i>
	Tiger Royalties and Investments Plc	
	Bezant Resources Plc	
6.1.3	<b>Colin Bird:</b>	
	<i>Current Directorships</i>	<i>Previous Directorships</i>
	African Pioneer plc	1 Tara Bar and Restaurant CC
	Bezant Resources Plc	Add X Trading CC (t/a Characters Pub & Grill)
	Bird Leisure & Admin (Pty) Ltd	Afminco (Pty) Ltd
	BMR Resources Plc	Dialyn Café CC
	Braemore Holdings (Mauritius) Pty Ltd	Emanuel Mining & Exploration (Pty) Ltd
	Braemore Resources Ltd	Isigidi Trading 413 CC (t/a Steak & Ale Steakhouse)
	Camel Valley Holdings Inc (BVI)	Jubilee Smelting & Refining (formerly Jubilee Tailings Treatment Company (Pty) Ltd
	Crocus-Serv Resources (Pty) Ltd	M.I.T. Ventures CorpEuropa Metals Ltd (formerly Ferrum Crescent Ltd)
	Dullstroom Plats (Pty) Ltd	Mokopane Mining & Exploration (Pty) Ltd
	Enviro Mining Ltd	NDN Properties CC
	Enviro Processing Ltd	Orogen Gold plc
	Enviro Props Ltd	Pilanesberg Mining Co (Pty) Ltd
	Galagen (Pty) Ltd	Pioneer Coal (Pty) Ltd
	Galileo Resources plc	PowerAlt (Pty) Ltd
	Galileo Resources South Africa (Pty) Ltd	SacOil Holdings Ltd
	Glenover Phosphate (Pty) Ltd	Sovereign Energy plc
	Holyrood Platinum (Pty) Ltd	Thos Begbie Holdings (Pty) Ltd
	Jubilee Metals Group plc	
	Kabwe Operations Mauritius	
	Lion Mining Finance Ltd	
	Maude Mining & Exploration (Pty) Ltd	
	Mitte Resources Investment Ltd (BVI)	
	New Age Metals Inc	
	Newmarket Holdings (Mauritius)	
	NewPlats (Tjate) (Pty) Ltd	
	Revelo Resources Corp (formerly Polar Star Mining Corp)	
	Sandown Holdings (Mauritius)	
	Shamrock Holdings Inc (BVI)	
	Tiger Royalties and Investments plc	
	Tjate Platinum Corp (Pty) Ltd	
	Umhlanga Lighthouse Café CC	
	Virgo Business Solutions (Pty) Ltd	
	Windsor SA Pty Ltd	
	Xtract Resources plc	

6.1.4 **James Cunningham-Davis:**

<i>Current Directorships</i>	<i>Previous Directorships</i>
Infinity Gaming Solutions Limited	Wynzone Ltd
Cavendish Fiduciary (Jersey) Limited	Salco Services Limited
Cavendish Trust Company Limited	Wrasse Properties Limited
Atlas Corporate Serv	L.M. Management Limited
Charlwood Limited	Labridae Investments Limited
CLC Investments Limited	Bishops Management Limited
Prayle Investments Limited	Rablare Limited
Medical Research Limited	RH Management Limited
Harburnhead Limited	Empress Limited
CLC Holdings Limited	Quintile Limited
Pearl Investments Limited	Mediterranean Title Limited
CLC International Marketing Limited	Lailoken Limited
Vog Design Limited	Palmerston Estates Limited
S.B. Properties Limited	BHR Mining Limited
Sheinvest Limited	Kwikbuild Corporation Limited
CLC Management Holdings Limited	Loch Investments Limited
CLC Options Management limited	Harbourne Estates Limited
CMC Hotels Limited	Avana Uranium Limited
Archive Guardian Limited	Avana Petroleum Limited
Nona & Company Limited	Vacation Resorts Limited
Swiftway Limited	Haymont Finance Limited
Module Limited	Wildacre Limited
Glinton Limited	Redix Techno Holdings Limited
South American Investments Limited	Astrid Investments Limited
CLC Resort Developments Limited	Oakleigh Investments Limited
CLC Resort Management Limited	Epic 2007 No. 1 Single Property
Gold Cove Limited	Commercial Real Estate Company
Lexinvest Limited	Limited
Duchally House Resorts Limited	United Investments Limited
Gainsford Enterprises Limited	Oriental Art Limited
Titanio Limited	areUin Corp.
Exclusive Club Management Limited	Harlech Capital Limited
Exclusive Title Limited	Galaxy Bet (IOM) Limited
Welfors Limited	areUin Services Limited
Cargo Inspections Group Limited	Advances Avionics Holdings Ltd
Cargo Inspections International Limited	Garfield-Bennett Trust Company
Baynoona Estates Limited	Limited

*Current Directorships*

Cavendish Windsor Limited  
Cavendish International Limited  
Cavendish Square Limited  
Caulston Limited  
Cavendish Trustees Limited  
Cavendish Secretaries Limited  
Ascension Limited  
Wellesley Limited  
Infinity Gaming Solutions Limited  
Stead Fast Limited  
IGS Holdings Limited  
IGS Services Limited  
Cavendish Management Limited  
Infinity Gaming Solutions (UK) Limited  
North Quay Trustees Limited  
HEY Company Limited  
Starleth Properties Limited  
Pier Property Investments Limited  
Swan Property Investments Limited  
Irwell Property Investments Limited  
Brunswick Property Investments Limited  
Chapel Property Investments Limited  
Atlas First Nominees Limited  
Atlas Second Nominees Limited  
Atlas Administration Limited  
Wedge Investment Company Limited (The)  
Lytham Estates Limited  
Connaught Investments Limited  
Holmanx Limited  
Ambe Limited  
Hervey Estates Limited  
Linus Properties Limited  
U15 Limited  
PDB Energy Systems Limited  
Cavendish Aviation Limited  
Cavendish Fiduciary Services Limited  
Infinex Partners Limited  
Cavendish Malta Limited  
Cavendish Services Limited  
Yellow film Management (Jersey) Ltd  
Mona Lisa Developments Limited  
Cavendish Nominees Limited  
Cavendish Secretaries Limited  
Cavendish Securities Limited  
Radix Tokens (Jersey) Limited

*Previous Directorships*

GBC Holdings Limited  
Bramley Management Limited  
Cavendish (Jersey) Limited

6.1.5 **Kjeld Thygesen:**

Current Directorships  
BMR Resources Plc

Previous Directorships  
Superior Mining Intl  
Bullfrog Gold Corporation

**7. Directors' Confirmations**

7.1 As at the date of this Document none of the Directors :

- 7.1.1 has any convictions in relation to fraudulent offences for at least the previous five years;
- 7.1.2 has been associated with any bankruptcy, receivership or liquidation while acting in the capacity of a member of the administrative, management or supervisory body or of senior manager of any company for at least the previous five years; or
- 7.1.3 has been subject to any official public incrimination and/or sanction of him by any statutory or regulatory authority (including any designated professional bodies) or has ever been disqualified by a court from acting as a director of a company or from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.
- 7.1.4 Save as set out at sections 9.1.1 to 9.1.7 below under Material Contracts, none of the directors has a material conflict of interest with the Company.

**8. Directors' and Other Interests**

8.1 Save as disclosed in paragraph 10.1 below, none of the Directors nor any member of their immediate families has or will have on or following Admission any interests (beneficial or non-beneficial) in the Ordinary Shares of the Company.

Name	Number of existing shares at Latest Practicable Date	% of existing share capital held at Latest Practicable Date	Number of shares held immediately following Admission	% of enlarged share capital held immediately following Admission	Warrants to be issued on Admission	% of fully diluted enlarged share capital assuming exercise of all warrants in issue on Admission
Colin Bird *	1,061,728	9.05%	21,061,728	11.12%	–	9.27%
Raju Samtani	1,061,728	9.05%	16,061,728	8.48%	–	7.07%
Christian Cordier*	–	0.00%	15,000,000	7.92%	–	6.60%
Kjeld Thygesen	200,000	1.71%	200,000	0.11%	0.09%	
James Cunningham-Davis***	0	0%	0	0%	230,000	0.10%

\* Christian Cordier's shareholding includes 4,000,000 Ordinary Shares held by Tonehill Pty Ltd and 3,000,000 Ordinary Shares held by Coreks Super Pty Ltd both of which companies are owned and controlled by Mr Christian Cordier, the Company's Directors. It also includes 8,000,000 Ordinary Shares held via Breamline Pty Ltd of which Mr Christian Cordier is a director and which is a trustee company for Breamline Ministries "Breamline"

\*\* Colin Bird's shareholding includes 5,000,000 Ordinary Shares held by Campden Park Trading, a company owned and controlled by Mr Colin Bird, the Company's Chairman

\*\*\* 230,000 warrants will be issued on Admission to Cavendish Trust of which James Cunningham-Davis is a director

- 8.2 Save as disclosed in paragraph 10.1 below, immediately following Admission, no Director will have any interest, whether beneficial or non-beneficial, in the share or loan capital of the Company.
- 8.3 There are no outstanding loans granted by any member of the Company to the Directors or any guarantees provided by any member of the Company for the benefit of the Directors.

8.4 No Director has or has had any interest in any transaction which is or was unusual in its nature or conditions or which is or was significant to the business of the Company or the Group and which was effected by the Company during the current or immediately preceding financial year, or which was effected during an earlier financial year and remains in any respect outstanding or unperformed.

### **Significant shareholders**

8.5 Where a company's shares are listed on the London Stock Exchange, there is no requirement in Isle of Man law for shareholders in the Company to disclose their shareholdings in the Company. However, the UK Disclosure Guidance and Transparency Rules ("DTRs") provide that certain persons (including Shareholders) must notify the Company, following Admission, if the proportion of the Company's voting rights which they then hold directly or indirectly as a Shareholder or through a direct or indirect holding of certain financial instruments reaches, exceeds or falls below thresholds of 5 per cent., 10 per cent., 15 per cent., 20 per cent., 25 per cent., 30 per cent., 50 per cent. and 75 per cent.

8.6 Under the Articles adopted by the Company, certain persons (including Shareholders) must notify the Company if they become a Significant Member and thereafter of any Relevant Change (capitalised terms having the meaning given to them), or their ceasing to be a Significant Member. Please refer to the summary of these provisions in the Articles at paragraph (k) of this Document.

8.7 Save for the Directors and their connected persons (within the meaning under Isle of Man law), at the date of this Document and immediately following the Placing, so far as the Directors are aware, no person is directly or indirectly interested in more than three per cent. of the issued Shares other than as set out below:

Name	Number of existing shares at Latest Practicable Date	% of existing share capital held at Latest Practicable Date	Number of shares held immediately following Admission	% of share capital held immediately following Admission	Warrants to be issued on Admission	% of fully diluted enlarged share capital assuming exercise of all warrants in issue on Admission
Tiger Royalties & Investments PLC	5,952,913	50.75%	8,810,056	4.65%	–	3.88%
Colin Bird	1,061,728	9.05%	21,061,728	11.12%	–	9.27%
Bruce Rowan – Estate	1,061,728	9.05%	1,061,728	0.56%	–	0.47%
Raju Samtani	1,061,728	9.05%	16,061,728	8.48%	–	7.07%
Michael Nolan	1,061,728	9.05%	1,061,728	0.56%	–	0.47%
Novum Securities Nominees A/C	400,000	3.41%	400,000	0.21%	–	0.18%
Sanderson Capital Partners Limited	–	0.00%	8,571,428	4.52%	8,571,428	7.55%
Sandfire Resources Ltd	–	0.00%	28,418,932	15.00%	–	12.51%
Christian Cordier*	–	0.00%	15,000,000	7.92%	–	6.60%
Mohamad Ahmad	–	0.00%	15,000,000	7.92%	–	6.60%
Intertrader	–	0.00%	14,285,714	7.54%	–	6.29%

\* Christian Cordier's shareholding includes 4,000,000 Ordinary Shares held by Tonehill Pty Ltd and 3,000,000 Ordinary Shares held by Coreks Super Pty Ltd both of which companies are owned and controlled by Mr Christian Cordier, the Company's Directors. It also includes 8,000,000 Ordinary Shares held via Breamline Pty Ltd of which Mr Christian Cordier is a director and which is a trustee company for Breamline Ministries "Breamline"

\*\* Colin Bird's shareholding includes 5,000,000 Ordinary Shares held by Campden Park Trading, a company owned and controlled by Mr Colin Bird, the Company's Chairman

8.8 Immediately following Admission, as a result of the allotment and issue of the Placing Shares and Conversion Shares, the Directors expect that a number of persons will have an interest, directly or

indirectly, in at least five per cent. of the voting rights attached to the Company's issued shares (being the threshold set out in Chapter 5 of the DTRs).

8.9 As a company incorporated in Isle of Man and whose shares are admitted to trading on the London Stock Exchange, the Company is subject to provisions of the DTRs. The Company has incorporated the provisions of DTR 5 in its Articles so long as its shares are admitted to trading on any exchange in the UK or elsewhere, consequently, Shareholders are required to disclose to the Company the level of their interests in Ordinary Shares in accordance with the Articles and such interests will be notified by the Company to the public. Further details of these notification and disclosure requirements are summarised in paragraph 5 of this Part VIII of this Document. Shareholders should consider their notification and disclosure obligations carefully as a failure to make a disclosure to the Company may result in disenfranchisement.

8.10 As at 25 May 2021 (the latest practicable date prior to the publication of this Document) the Company was not aware of any person or persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company nor is it aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.

8.11 Those interested, directly or indirectly, in three per cent. or more of the issued Ordinary Shares of the Company do not now, and, following the Placing and Admission, will not, have different voting rights from other holders of Shares.

## **9. Material Contracts**

9.1 The following are all of the contracts (not being contracts entered into in the ordinary course of business) that have been entered into by the Company (or its subsidiaries) in the two years immediately preceding publication of this Document which: (i) are, or may be, material to the Company; or (ii) contain obligations or entitlements which are, or may be, material to the Company as at the date of this Document.

9.1.1 The Company entered into a contract, dated 1 August 2013 with Lion Mining Finance Limited (“**LMF**”) (a company controlled by Colin Bird) under which LMF provides administrative services to the company for £750 plus VAT per calendar month.

9.1.2 Zamcu Exploration Pty Ltd entered into a Sale & Purchase Agreement, dated 26 October 2020 with Wilhelm Shali (“**129 SPA**”) under which Zamcu agreed to purchase from Wilhelm Shali a 70 per cent. interest in Manmar Investments One Hundred and Twenty Nine (Pty) Ltd, in return for Consideration Shares with a value of A\$270,000 upon Listing and in addition a payment of A\$237,600, which has been paid to Wilhelm Shali (A\$180,000 on 29 January 2021 and A\$57,600 on 9 April 2021). Completion of the 129 SPA is conditional on, amongst other things, Manmar 129 shareholder approval (which has been obtained) and Admission. The sale is subject to a 12 month lock-in during which the Wilhelm Shali is not permitted to sell his Consideration Shares in the Company, followed by a 12 month orderly markets period during which sellers are required to work with the Company's broker for 30 days prior to making any sale. The 129 SPA has been extended until 31<sup>st</sup> May 2021 by addenda executed on 14<sup>th</sup> December 2020, 27<sup>th</sup> January 2021 and 31<sup>st</sup> March 2021 to allow for Admission later than originally expected.

9.1.3 Zamcu Exploration Pty Ltd entered into a Sale & Purchase Agreement, dated 26 October 2020 with Wilhelm Shali (“**136 SPA**”) under which Zamcu agreed to purchase from Wilhelm Shali a 70 per cent. interest in and Manmar Investments One Three Six (Pty) Ltd in return for Consideration Shares with a value of A\$30,000 upon Listing and in addition a payment of A\$26,400, which has been paid to Wilhelm Shali (A\$20,000 on 29 January 2021 and A\$6,400 on 9 April 2021). Completion of the 136 SPA is conditional on, amongst other things, Manmar 136 shareholder approval (which has been obtained) and Admission. The sale is subject to a 12 month lock-in during which the Wilhelm Shali is not permitted to sell his Consideration Shares in the Company, followed by a 12 month orderly markets period during which sellers are required to work with the Company's broker for 30 days prior to making any sale. The 136 SPA has been extended until 31<sup>st</sup> May 2021 by addenda executed on 14<sup>th</sup> December 2020, 27<sup>th</sup> January 2021 and 31<sup>st</sup> March 2021 to allow for Admission later than originally expected.

9.1.4 The Company entered into a Share Purchase Agreement, dated 29 October 2020 ("**Zamcu SPA**") with Tonehill Pty Ltd, Coreks Super Pty Ltd and Breamline Pty Limited ("**Zamcu Sellers**") under which the Zamcu Sellers (which are controlled by Christian Cordier) agreed to sell to the Company their collective 100 per cent. ownership interests in Zamcu in return for 10,000,000 Consideration Shares in the Company. Completion of the Zamcu SPA is conditional on, amongst other things, Zamcu shareholder approval (which has been obtained) and Admission. The sale is subject to a 12 month lock-in during which the Zamcu Sellers are not permitted to sell their Consideration Shares in the Company, followed by a 12 month orderly markets period during which the Zamcu Sellers are required to work with the Company's broker for 30 days prior to making any sale. The Zamcu SPA has been extended until 31<sup>st</sup> May 2021 by addenda executed on 17<sup>th</sup> December 2020, 27<sup>th</sup> January 2021 and 31<sup>st</sup> March 2021 to allow for Admission later than originally expected.

9.1.5 The Company entered into a Share Purchase Agreement, dated 29 October 2020 ("**RCP SPA**") with M&A Wealth Pty Ltd and Breamline Pty Limited (a company controlled by Christian Cordier) ("**RCP Sellers**") under which the RCP Sellers agreed to sell to the Company their collective 100 per cent. ownership interests in RCP in return for 10,000,000 Consideration Shares in the Company, of which each RCP Seller will receive 5,000,000 Consideration Shares. Completion of the RCP SPA is conditional on, amongst other things, RCP shareholder approval (which has been obtained) and Admission. The sale is subject to a 12 month lock-in during which the RCP Sellers are not permitted to sell their Consideration Shares in the Company, followed by a 12 month orderly markets period during which sellers are required to work with the Company's broker for 30 days prior to making any sale. The RCP SPA has been extended until 31<sup>st</sup> May 2021 by addenda executed on 17<sup>th</sup> December 2020, 27<sup>th</sup> January 2021 and 31<sup>st</sup> March 2021 to allow for Admission later than originally expected.

9.1.6 The Company entered into a Share Purchase Agreement, dated 25 November 2020 ("**APZ SPA**") with Raju Samtani, Colin Bird, Mohamad Ahmad, Caleb Amos Mulenga, Lukonde Makungu and Camden Park Trading (a company controlled by Colin Bird) ("**AP Zambia Sellers**") under which the AP Zambia Sellers agreed to sell to the Company their collective 80 per cent. ownership interests in African Pioneer Zambia Pty Limited ("**AP Zambia**") in return for 55,000,000 Consideration Shares in the Company, in proportion to their existing holdings. Completion of the APZ SPA is conditional on, amongst other things, APZ shareholder approval (which has been obtained) and Admission. The sale is subject to a 12 month lock-in during which the AP Zambia Sellers are not permitted to sell their Consideration Shares in the Company, followed by a 12 month orderly markets period during which sellers are required to work with the Company's broker for 30 days prior to making any sale.

9.1.7 The Company entered into an agreement with Cavendish Trust Company Limited (James Cunningham-Davis, Non-Executive Director of the Company, is one of the directors of Cavendish Secretaries Limited, a subsidiary of Cavendish Trust Company Limited), dated 23<sup>rd</sup> August 2012 under which Cavendish Trust Company Limited agreed to provide the Company with corporate secretarial services in the Isle of Man.

9.1.8 On 21 October 2020, the Company entered into a Convertible Loan Note agreement with Sanderson Capital Partners Limited ("SCP") ("SPC Convertible Loan Note Agreement") under which SCP subscribed £150,000 for loan notes due to convert on Admission into 8,571,428 Loan Conversion Shares in the Company. In addition, SCP is entitled to warrants in the Company giving it the right to subscribe (for a period of 3 years from 21 October 2020) for one Ordinary Share in the Company at a price being the lower of 3.5 pence per Ordinary Share or the Placing Price of the shares at Admission (subject to the Company's Ordinary Shares being successfully admitted on a recognised exchange) for every Consideration Share issued pursuant to the SPC Convertible Loan Note Agreement following conversion of the SCP loan notes.

9.1.9 The Company entered into a Conditional Botswana Licence Sale Agreement on 12 March 2021 with Sandfire Resources Limited, listed on the Australian Stock Exchange ("Sandfire"), which was varied by the parties on 21 May 2021 under which in return for the payment by Sandfire on completion of US\$250,000 the Company guaranteed Sandfire the right to purchase the Botswanan mining licences: PL 096/2020, PL 097/2020, PL 098/2020, PL 099/2020, PL

100/2020, PL 101/2020, PL 102/2020, and PL 103/2020 owned by RCP (the "Botswanan Licences") for:

- (i) US\$1,000,000 payable on completion of the Conditional Botswana Licence Sale Agreement which includes a guarantee fee of \$250,000 set out above, of which US\$500,000 will be paid in cash with the balance of US\$500,000 to be settled by the issue of 107,271 Sandfire Shares (which will not be subject to any trading restrictions) to the Company based on the 10 day VWAP of Sandfire Shares and the GBP/US\$ FX rate on the day before the signing of the Conditional Botswana Licence Sale Agreement which will not be subject to any trading restrictions;
- (ii) An Exploration Commitment to spend a minimum of US\$1M within 2 years of settlement (the Exploration Period) and if the US\$1M is not spent, any shortfall will be paid to the Company; and
- (iii) a one-off success payment to be paid to APP for the first ore reserve reported under JORC Code 2012 edition on the Included Licences which exceeds 200,000 tonnes of contained copper (the "First Ore Reserve") in the range of US\$10 million to US\$80 million depending on the amount of contained copper in the First Ore Reserve (the "Success Payment").

Conditions precedent for the Conditional Botswana Licence Sale Agreement taking effect (unless indicated otherwise) by the long stop date of 30 September 2021 include a) the parties having executed the Sandfire Convertible Loan Note Subscription Agreement (see 4.15 above) (which has been executed); b) ministerial consent for the transfer of the Botswana Licences by the Botswana Minister of the Ministry of Minerals, Energy and Water Resources ("Ministerial Consent") c) approval of the acquisition of the Botswana Licences by the Competition Authority of Botswana (or confirmation from such authority or from either party's Botswana legal counsel that such approval is not required) ("Competition Approval"); and d) Admission having occurred by 31 July 2021. If Admission has not occurred by 31 July 2021 then the long stop date of 30 September 2021 shall automatically be extended to 31 December 2021 (the "Long Stop Date") and the Cash Consideration shall not be payable. In addition, if both i) completion of the Conditional Botswana Licence Sale Agreement and ii) Admission have not occurred, by the Long Stop Date then African Pioneer will be due to pay Sandfire US\$500,000 by way of a cancellation fee.

**Given the limited exploration conducted on the Botswanan Licences to date and the many years that it could take to establish an Ore Reserve, there can be no guarantee that any such Success Payment will be forthcoming.**

- 9.1.10 On 11 March 2021 the Company entered into a Convertible Loan Note Subscription Agreement with Sandfire under which Sandfire subscribed for US\$500,000 of interest free unsecured loan notes automatically convertible upon Admission into new Ordinary Shares constituting 15 per cent. of the Company's Enlarged Share Capital. Pursuant to the loan notes, upon conversion, Sandfire has the right to nominate a director to the Board of the Company whilst their shareholding remains at or above 15 per cent. of the issued share capital; the appointment will be subject to customary due diligence. Sandfire has not indicated that it will take up this right and has not yet identified a candidate for this role. Additionally, Sandfire will have the right to participate in all future share offerings subscribers so as to maintain its shareholding at 15 per cent., irrespective of any disapplication or non-application of pre-emption rights and to appoint a director of the Company. The 28,418,932 Loan Conversion Shares to be issued to Sandfire on Admission will be subject to a 12 month lock-in during which the Loan Conversion Shares are not permitted to be sold, followed by a 12 month orderly markets period during which Sandfire are required to work with the Company's broker for 10 days prior to making any sale.
- 9.1.11 On 15 November 2020 the Company entered into an agreement with Quantum Capital and Consulting Ltd to assist the Company with its transactions with Sandfire in relation to the Sandfire Convertible Loan Note and Conditional Botswana Licence Sale Agreement for a success fee of 2 per cent. of a) the funds invested under the Sandfire Convertible Loan Note to be settled at Listing and b) the amount to be paid by Sandfire upon completion of the Conditional Botswana Licence Sale Agreement to be settled at completion of the Conditional

Botswana Licence Sale Agreement. In both cases the fee due is to be settled 50 per cent. in cash and 50 per cent. by the issue of Shares in the Company at 3.5 pence per Share.

- 9.1.12 On 15 January 2020 the Company entered into an agreement with Quantum Capital and Consulting Ltd to assist the Company in preparing for its listing for a success fee payable upon the Company Listing of Shares representing 0.75 per cent. of the issued share capital of the Company at Admission (the "Listing Fee Shares") and one warrant for each Listing Fee Share exercisable at 3.5 pence per share for three years from Admission.
- 9.1.13 On 20 June 2018, the Company entered into an unsecured non-interest bearing loan of £100,000 with Tiger Royalties and Investments Plc ("Tiger") pursuant to which Tiger lent to the Company £100,000 (the "Loan") to assist with its working capital requirements. The Loan was repayable at such time as APP has cash balances sufficient (having due regard to its working capital requirements) to repay Tiger in full or in part, with a long stop repayment date falling 10 years from the date of the Loan. Tiger and the Company agreed on 8 February 2021 that the Loan will be converted on Admission into 2,857,143 New Ordinary Shares in the Company at the Placing Price.
- 9.1.14 On 28 January 2021, the Company entered into a bridging loan facility with its holding company Tiger Royalties and Investments Plc ("Tiger") pursuant to which Tiger agreed to advance up to £140,000 (the "Tiger Loan Facility") to APP to assist with its re-structuring and generally with working capital requirements whilst it finalised the terms of the Sandfire Convertible Loan Note Subscription Agreement. The Tiger Loan Facility is unsecured and carries a coupon of 10 per cent. per annum which will accrue on a daily non-cumulative basis on the amount outstanding under the Tiger Loan Facility. The terms of the Tiger Loan Facility provide that the amount actually drawn down under the Tiger Loan Facility shall be repayable in full no later than six months following the date of the Tiger Loan Facility. The total amount of funds drawn under this facility as at 31 January 2021 was £131,366. The Company repaid the full outstanding amount including an interest of £2,664 under this arrangement to Tiger on 6 April 2021 from the proceeds of the Sandfire Convertible Loan Note Subscription Agreement.

## 9.2 **Financial Adviser Engagement Letter with Beaumont Cornish**

- 9.2.1 On 30 July 2020, the Company and the Directors entered into a letter of engagement with Beaumont Cornish pursuant to which Beaumont Cornish agreed to act as financial adviser to the Company in connection with the proposed Admission for a fee of £67,500 (+VAT) of which £25,000 (+VAT) is payable in Fee Shares at the Placing Price on Admission.
- 9.2.2 On 21 May 2021, the Company and Beaumont Cornish entered into a financial adviser agreement, pursuant to which Beaumont Cornish for an annual fee of £20,000 per year payable quarterly has agreed to act as an ongoing financial adviser to the Company for an initial term of 1 year (the "**Initial Term**") and thereafter on an ongoing basis subject to either party providing 90 calendar days' notice of termination provided that such notice shall not commence prior to the end of the Initial Term.

## 9.3 **Broker Engagement Letter**

On 7 January 2021 the Company entered an engagement with Novum Securities of 2<sup>nd</sup> Floor, Lansdowne House, 57 Berkeley Square, London, W1J 6E to act as the Company's broker in respect of Admission. The Broker will receive in connection with the gross funds raised at Admission (i) a commission of 5 per cent. of the gross funds raised by the Broker in the Placing, (ii) warrants at the Issue Price over 5 per cent. of the gross aggregate value of the Placing (iii) a flotation fee of £5,000 to be settled in Shares to be issued at the Issue Price with the related VAT to be paid in cash; and iv) up to £5,000 towards the Broker's legal fees. The Broker has also agreed to act as the Company's broker post admission at an initial annual fee of £25,000 per year with the first year's fees to be settled by the issue of Shares at the Issue Price with the related VAT to be paid in cash.

## 9.4 **Placing Agreement**

On the date of this document, the Company entered into the Placing Agreement with the Directors, the Broker and Beaumont Cornish pursuant to which the Broker has agreed to use its reasonable endeavours to procure subscribers for the Placing Shares at the Issue Price.

The Placing Agreement is conditional, amongst other things, on Admission taking place not later than 18 June 2021 (or such other date as the Broker, the Company, the Director and Beaumont Cornish may jointly decide).

The Placing Agreement contains certain warranties by the Company and the Directors in favour of the Broker and Beaumont Cornish, including as to the accuracy of information contained in this Document.

The liability of the Directors under these warranties is limited in time and amount. In addition, the Company has agreed to indemnify the Broker and Beaumont Cornish in respect of any losses, damages, liabilities incurred by the Broker and Beaumont Cornish resulting from the carrying out by the Broker and Beaumont Cornish of its obligations or services under the Placing Agreement or otherwise in connection with the Placing or Admission.

The Broker and Beaumont Cornish shall be entitled to terminate the Placing Agreement in certain specified circumstances prior to Admission, principally in the event of a material breach of the Placing Agreement, a material breach of any of the warranties contained in the Placing Agreement, the occurrence of a material adverse change in the financial position or prospects of the Company or the occurrence of other circumstances materially prejudicial to the successful outcome of the Placing.

The Placing Agreement provides for the Company to pay all costs, charges, expenses of, or incidental to, the Placing and Admission, including all accountancy, legal and other professional fees and expenses.

#### **9.5 *Registrar Agreement***

On 7 April 2021, the Company entered into an agreement with the Registrars pursuant to which the Company has appointed Computershare as its share register to provide share registration transfer services with effect from Admission. Pursuant to the terms of the Registrar Agreement, the Company is to pay certain fees and charges to the Registrar. The Registrar Agreement is for an initial period of 1 year and thereafter the Registrar Agreement will continue until terminated by either party giving notice to the other on not less than three months' notice, such notice shall not expire before the end of the original term. The Registrar Agreement is governed by the laws of Jersey.

#### **9.6 *Material Contracts with Management***

- (a) As referenced at Section 10.1 immediately above and at Part I, Summary, the Company has entered into the Zamcu SPA and addenda with parties under the control of Christian Cordier.
- (b) As referenced at Section 10.1 immediately above and at Part I, Summary, the Company has entered into the RCP SPA and addenda with Breamline Pty Limited, an entity under the control of Christian Cordier.
- (c) As referenced at Section 10.1 immediately above and at Part I, Summary, the Company has entered into the APZ SPA with various parties including Raju Samtani, Colin Bird and Camden Park Trading, an entity controlled by Colin Bird.
- (d) Pursuant to a lock in deed dated 26 May 2021 between the Directors of the Company, the Company, the Broker and the Financial Adviser the Directors have agreed that their Shares in the Company will be subject to a 12 month lock-in during which they are not permitted to sell their Shares, followed by a 12 month orderly markets period during which the Directors are required to work with the Company's broker for 30 days prior to making any sale.

### **10. *Directors' Letters of Appointment and Service Agreements***

- (a) Pursuant to an agreement dated 24 May 2021, the Company renewed the appointment of James Cunningham-Davis as a Director. The appointment continues unless terminated by either party giving to the other 3 months' notice in writing. James Cunningham-Davis is entitled to director's fees of £12,000 per annum for being a director of the Company plus reasonable and properly documented expenses incurred during the performance of his duties which will be invoiced by Cavendish Trust Company Ltd an Isle of Man Trust Company that James Cunningham-Davis is a founder and managing director of. James Cunningham-Davis is not entitled to any pension, medical or similar employee benefits. The agreement will terminate automatically without the requirement for notice if Admission

does not occur by 30 June 2021 and replaces all previous agreements with James Cunningham-Davis and/or Cavendish Trust Company Ltd in relation to the appointment of James Cunningham-Davis as a director of the Company.

- (b) Pursuant to an agreement dated 24 May 2021, the Company appointed Kjeld Thygesen as a non-executive Director with effect from the date of this Document. The appointment continues unless terminated by either party giving to the other 3 months' notice in writing and Kjeld Thygesen is entitled to director's fees of £18,000 per annum for being a director of the Company plus reasonable and properly documented expenses incurred during the performance of his duties. Kjeld Thygesen is not entitled to any pension, medical or similar employee benefits. The agreement will terminate automatically without the requirement for notice if Admission does not occur by 30 June 2021.
- (c) Pursuant to an agreement dated 24 May 2021, the Company renewed the appointment of Colin Bird as a Director. The appointment continues unless terminated by either party giving to the other 3 months' notice in writing. Colin Bird is entitled to director's fees of £18,000 per annum for being a director of the Company plus reasonable and properly documented expenses incurred during the performance of his duties. Colin Bird is not entitled to any pension, medical or similar employee benefits. The agreement will terminate automatically without the requirement for notice if Admission does not occur by 30 June 2021 and replaces all previous agreements with Colin Bird in relation to his appointment as a director of the Company.
- (d) Pursuant to a consultancy agreement dated 24 May 2021, the Company has, with effect from the date of Admission, appointed Colin Bird as a consultant to provide technical advisory services in relation to its current and future projects including but not limited to assessing existing geological data and studies, existing mine development studies and developing exploration programs and defining the framework of future geological and mine study reports (the "**Colin Bird Services**"). The appointment continues unless terminated by either party giving to the other 3 months' notice in writing. Colin Bird is entitled to fees of £3,500 per month for being a consultant to the Company plus reasonable and properly documented expenses incurred during the performance of the Colin Bird Services. The agreement will terminate automatically without the requirement for notice if Admission does not occur by 30 June 2021.
- (e) Pursuant to an agreement dated 24 May 2021, the Company renewed the appointment of Raju Samtani. The appointment continues unless terminated by either party giving to the other 3 months' notice in writing. Raju Samtani is entitled to director's fees of £18,000 per annum for being a director of the Company plus reasonable and properly documented expenses incurred during the performance of his duties. Raju Samtani is not entitled to any pension, medical or similar employee benefits. The agreement will terminate automatically without the requirement for notice if Admission does not occur by 30 June 2021 and replaces all previous agreements with Raju Samtani in relation to his appointment as a director of the Company.
- (f) Pursuant to a consultancy agreement dated 24 May 2021, the Company has, with effect from the date of Admission, appointed Raju Samtani as a financial consultant to provide financial advisory services to the Company (the "**Raju Samtani Services**"). The appointment continues unless terminated by either party giving to the other 3 months' notice in writing. Raju Samtani is entitled to fees of £2,667 per month for being a consultant to the Company plus reasonable and properly documented expenses incurred during the performance of the Raju Samtani Services. The agreement will terminate automatically without the requirement for notice if Admission does not occur by 30 June 2021.
- (g) Pursuant to an agreement dated 24 May 2021, the Company appointed Christian Cordier as a Director with effect from the date of this Document. The appointment continues unless terminated by either party giving to the other 3 months' notice in writing. Christian Cordier is entitled to director's fees of £18,000 per annum for being a director of the Company plus reasonable and properly documented expenses incurred during the performance of his duties. Christian Cordier is not entitled to any pension, medical or similar employee benefits. The agreement will terminate automatically without the requirement for notice if Admission does not occur by 30 June 2021.
- (h) Pursuant to a consultancy agreement dated 24 May 2021, with Mystic Light Pty Ltd a personal service company of Christian Cordier the Company has secured the services of Christian Cordier, with effect from the date of Admission, as a business development consultant to provide business development

I advisory services to the Company in relation to its existing and future projects (the “**Christian Cordier Services**”). The appointment continues unless terminated by either party giving to the other 3 months’ notice in writing. Mystic Light Pty Ltd is entitled to fees of £1,000 per month for providing the Christian Cordier Services plus reasonable and properly documented expenses incurred during the performance of the Christian Cordier Services. The agreement will terminate automatically without the requirement for notice if Admission does not occur by 30 June 2021.

## **11. Corporate governance**

### **11.1 General Corporate Governance**

There is no applicable regime of corporate governance to which the directors of an Isle of Man company must adhere over and above the general fiduciary duties and duties of care, skill and diligence imposed on such directors under Isle of Man law.

The QCA Corporate Governance Code, as published by the Quoted Companies Alliance, is an approach to corporate governance that is tailored for small and mid-size companies in the United Kingdom and although as an Isle of Man company and a company with a Standard Listing, the Company is not required to comply with this code’s provisions, the Company will, to the extent practicable for a company of its size and nature, comply.

The Directors are aware that there are currently certain provisions of the QCA Corporate Governance Code that the Company is not in compliance with, given the size and early stage nature of the Company

### **11.2 Market Abuse Regulations**

The Company has adopted a share dealing code that complies with the requirements of the Market Abuse Regulations. All persons discharging management responsibilities (comprising only the Directors at the date of this Document) shall comply with the share dealing code from the date of Admission.

## **12. Working capital**

The Company is of the opinion that, taking into account the Net Placing Proceeds receivable by the Company, the working capital is sufficient for the present requirements of the Group that is for at least 12 months from the date of this Document.

## **13. Environmental issues**

Save as referenced in the CPR, the Directors are not aware of any environmental issues or risks affecting the Group and its operations.

## **14. Litigation**

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the previous 12 months which may have, or have had in the recent past, significant effects on the financial position or profitability of the Company or the entities comprising the Group.

## **15. Significant change**

Since 31 December 2020 the Company has issued a convertible loan which convert into Ordinary Shares upon listing. The effect of this loan issue is an increase in cash of £365,000. Other current financial debt also increased by the same amount. Other than that, there has been no significant change in the financial performance or financial position of the Company since 31 December 2020, being the date to which the latest audited financial information of the Company, as set out in Section A.2 of Part X of this document, has been prepared.

There has been no significant change in the financial performance or financial position of any of the Subsidiaries since 29 October 2020, being the date to which the latest financial information of the Subsidiaries, as set out in Sections B.2, C.2, D.2, E.2 and F.2 of this document, have been prepared.

## **16. Related Party Transactions**

From the date of incorporation up to and including the date of this Document, the Company has not entered into any related party transactions other than as described in paragraph 8.6 above.

## **17. Responsibility**

Shipleys is a member firm of the Institute of Chartered Accountants in England and Wales and has given and has not withdrawn its written consent to the inclusion of its reports in Part V "Historical Financial Information" in the form and context in which they appear, and has authorised the contents of its reports for the purposes of Rule 5.5.3R (2)(f) of the Prospectus Regulation Rules. To the best of the knowledge of Shipleys, the information contained in such reports is in accordance with the facts and these reports make no omission likely to affect its import.

MSA are responsible for CPR and estimates of mineral reserves and resources contained therein, as well as references to them, and statements and information attributed to them or extracted from the CPR and included in this Document in the form and context in which they appear. To the best of the knowledge of MSA, the information in their report, estimates of mineral reserves and resources contained therein, as well as references to them, and statements and information attributed to them or extracted from the CPR, are in accordance with the facts and make no omission likely to affect their import.

Where information which appears in this Document has been sourced from a third party, the information has been accurately reproduced. As far as the Directors, and the Company are aware and able to ascertain from such information supplied or published by a third party, no facts have been omitted which would render any reproduced information false, inaccurate or misleading.

## **18. Issues of new Shares**

The Directors are authorised to issue up to 1,000,000,000 Shares. Details of the pre-emption rights on the issue of Shares as set out in paragraph 5(e) above.

## **19. Employees**

Other than the Directors, there will be no employees. The Group will subcontract any exploration and development. The Company does not employ a significant number of temporary employees.

## **20. General**

- 20.1 The reporting accountants to the Company as at the date of this Document are Shipleys LLP, a member of the Institute of Chartered Accountants in England and Wales, Register of Statutory Auditors number C001369611. Shipleys LLP address is 10 Orange Street, London WC2H 7DQ.
- 20.2 The Company's Auditors are Greystone LLC of 18 Athol St, Douglas, Isle of Man IM1 1JA, Greystone LLC is registered to carry on audit work in the UK and Ireland by the Institute of Chartered Accountants in England and Wales.
- 20.3 The financial information contained in this Document does not comprise statutory accounts for the purposes of Section 434 of the Act or the Companies Law.
- 20.4 The Company anticipates raising gross proceeds of £1,750,000 pursuant to the Placing. The costs and expenses of the Placing and Admission will be borne by the Company in full and no expenses or taxes will be charged to investors by the Company. These expenses (including broker commission, listing and Admission fees, printing, advertising and distribution costs and professional advisory fees, including legal fees, and any other applicable expenses) are not expected to exceed £447,500, representing approximately 25.6 per cent. of the gross proceeds of the Placing. Of this figure, £83,378 is to be paid in Fee Shares and £63,045 has already been paid by the Company from its existing cash resources and thus £301,077 remains to be paid in cash on Admission. Accordingly, the total Net Placing Proceeds following deduction of the Expenses (but not including £83,378

payable in Fee Shares and not including the £63,045 already paid by the Company) on this basis will be £1,448,923.

- 20.5 Shipleys has given and not withdrawn its written consent to the inclusion in this Document of its name and the references thereto, each in the form and context in which it is included and has authorised the contents of that report for the purposes of Prospectus Regulation Rule 5.5.3R(2)(f).
- 20.6 Beaumont Cornish has given and not withdrawn its written consent to the inclusion in this Document of its name and the references thereto in the form and context in which they appear.
- 20.7 Novum has given and not withdrawn its written consent to the inclusion in this Document of its name and the references thereto in the form and context in which they appear.
- 20.8 The MSA Group (Pty) Ltd (in its capacity as competent person) has given and not withdrawn its written consent to the inclusion in this Document of and has authorised for the purpose of Prospectus Regulation Rule 5.5.3(2)(f) and item 23.1 (i) its report set out in Part XX ("CPR") and estimates of mineral reserves and resources contained therein; (ii) references to them; and (iii) statements and information attributed to them or extracted from the CPR and included in this Document in the form and context in which they appear.
- 20.9 The Company confirms that no material changes have occurred since 31 January 2021 being the effective date to which the Competent Person's Report set out in Part XX of this Document has been prepared regarding the mineral assets covered by this CPR the omission of which would make this CPR misleading.
- 20.10 The accounting reference date of the Company is currently 31 December.
- 20.11 Save as set out in this Document, there are no patents or intellectual property rights, licences or particular contracts which are of fundamental importance to the business.
- 20.12 This Document has been prepared in accordance with current UK tax legislation, practice and concession and interpretation thereof. Such legislation and practice may change and the current interpretation may therefore no longer apply.
- 20.13 Except as disclosed in the financial information set out in Part XI of this Document, the Company has not been a party to any transaction with any related party required to be disclosed under International Financial Reporting Standards.
- 20.14 As at the date of this Document the Company has no principal investments in progress and there are no future principal investments on which the Company has made a firm commitment.
- 20.15 The Directors are not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for at least the current financial year.
- 20.16 The Directors will apply for the Enlarged Issued Share Capital to be admitted to CREST with effect from Admission. Accordingly, it is expected that the Enlarged Issued Share Capital will be enabled for settlement in CREST following Admission.
- 20.17 Save as set out in this Document and so far as the Directors are aware, there are no arrangements relating to the Company, the operation of which may at a subsequent date result in a change of control of the Company.
- 20.18 Save as disclosed in this Document, no person has made a public takeover bid for the Company's issued share capital since its incorporation or in the current financial period and the Company is not aware of the existence of any takeover pursuant to the rules of the City Code.

## **21. Availability of this Document**

- 21.1 Following Admission copies of this Document are available for viewing free of charge at [www.africanpioneerplc.com](http://www.africanpioneerplc.com)
- 21.2 Copies of this Document may be collected, free of charge during normal business hours, from the registered office of the Company.
- 21.3 In addition, this Document will be published in electronic form and be available on the Company's website at [www.africanpioneerplc.com](http://www.africanpioneerplc.com) subject to certain access restrictions applicable to persons located or resident outside the United Kingdom.

## **22. Documents for inspection**

Copies of the following documents may be inspected at the registered office of the Company at 34 North, Quay, Douglas, Isle of Man, IM1 4LB, during usual business hours on any day (except Saturdays, Sundays and public holidays) from the date of this Document until the Placing closes:

- (a) this document;
- (b) the Articles and its memorandum of association;
- (c) the material contracts outlined in paragraph 9 of this Part XVI of this document;
- (d) the letters of consent outlined in paragraphs 20.5 to 20.8 of this Part XVI;
- (e) the accountants' reports by Shipleys LLP contained in Sections A.1, B.1, C.1, D.1, E.1 and F.1 of Part X "Historical Financial Information on the Group" and in Section A of Part XI "Unaudited Pro Forma Financial Information on the Group"; and
- (f) the audit committee terms of reference.

The date of this Document is 26 May 2021

## PART XVII

### THE CITY CODE

As a company incorporated in the Isle of Man and listed in the UK, the Company is subject to the City Code and the requirements of Rule 9 of the City Code. Under the City Code, a concert party arises where persons acting together pursuant to an agreement or understanding (whether formal or informal) co-operate to obtain or consolidate control of, or to frustrate the successful outcome of an offer for a company, subject to the City Code. Control means an interest, or interests, in shares carrying, in aggregate, 30 per cent. or more of the voting rights of a company, irrespective of whether such interest or interests give de facto control.

As at the date of this Document, Tiger Royalties & Investments Plc together with its directors and Kjeld Thygesen (who has a 3.19 per cent. interest in Tiger and who has other historical business connections with Mr Bird), who are all deemed to be acting in concert, are interested 79.61 per cent. of African Pioneer (“**Tiger Group**”). Following completion of the Acquisitions and on Admission the Tiger Group together with the vendors of the Zambian Projects (excluding vendors who are members of the Tiger Group) (“Zambian Vendor Group”) and the vendors of the Namibian and Botswanan Projects (“**Namibian and Botswanan Vendor Group**”) will form the enlarged concert party (the “**Concert Party**”) that will hold 51.12 per cent. interest of the Company’s Enlarged Share Capital. The following persons are deemed to be acting in concert for the purposes of the City Code and accordingly constitute the Concert Party:

Concert Party Member	Number of Ordinary Shares at Latest Practicable Date	% of existing share capital	Number of Ordinary Shares held on Admission	% of Enlarged Share Capital on Admission	% of fully diluted enlarged share capital assuming exercise of all Warrants in issue on Admission
<b>Tiger Group</b>					
Tiger Royalties & Investments PLC	5,952,913	50.75%	8,810,056	4.65%	3.88%
Colin Bird <sup>1&amp;3</sup>	1,061,728	9.05%	21,061,728	11.12%	9.27%
Raju Samtani <sup>3</sup>	1,061,728	9.05%	16,061,728	8.48%	7.07%
Michael Nolan	1,061,728	9.05%	1,061,728	0.56%	0.47%
Kjeld Thygesen	200,000	1.71%	200,000	0.11%	0.09%
Subtotal:	9,338,097	79.61%	47,195,240	24.91%	20.77%
<b>Zambian Vendor Group (excluding vendors who are members of the Tiger Group)</b>					
Mohamad Ahmad <sup>3</sup>	0	0%	15,000,000	7.92%	6.60%
Caleb Amos Mulenga <sup>3</sup>	0	0%	2,500,000	1.32%	1.10%
Lukonde Makungu <sup>3</sup>	0	0%	2,500,000	1.32%	1.10%
Subtotal	0	0%	20,000,000	10.56%	8.80%
<b>Namibian and Botswanan Vendor Group</b>					
Christian Cordier <sup>2, 4 &amp; 5</sup>	0	0%	15,000,000	7.92%	6.60%
Alan Marlow <sup>4</sup>	0	0%	4,900,000	2.59%	2.16%
Wilhelm Shali <sup>4</sup>	0	0%	4,742,857	2.50%	2.09%
M&A Wealth Pty Ltd <sup>5</sup>	0	0%	5,000,000	2.64%	2.20%
Subtotal:	0	0%	29,642,857	15.65%	13.05%
<b>TOTAL:</b>	<b>9,338,097</b>	<b>79.61%</b>	<b>96,838,097</b>	<b>51.12%</b>	<b>42.62%</b>

<sup>1</sup> Mr Colin Bird’s holding includes 5,000,000 Ordinary Shares held by Campden Park Trading, a company owned and controlled by Mr Colin Bird, the Company’s Chairman

<sup>2</sup> Mr Christian Cordier’s holding includes 4,000,000 Ordinary Shares held by Tonehill Pty Ltd and 3,000,000 Ordinary Shares held by Coreks Super Pty Ltd both of which companies are owned and controlled by Mr Christian Cordier, the Company’s Directors. It also includes 8,000,000 Ordinary Shares held via Breamline Pty Ltd of which Mr Christian Cordier is a director and which is a trustee company for Breamline Ministries “Breamline”.

<sup>3</sup> Vendors of Zambian Projects

<sup>4</sup> Vendors of Namibian Projects  
<sup>5</sup> Vendors of Botswanan Projects

As noted below, Messrs. Colin Bird and Raju Samtani are Vendors.

No member of the Concert Party holds any subscription rights into African Pioneer

Further information on the Concert Party members:

<b>Tiger Royalties &amp; Investments PLC</b>	Public company listed on AIM Registered and business address: 2nd Floor, 7/8 Kendrick Mews, London SW7 3HG Incorporated in England & Wales with Company number 11404056 Directors: Colin Bird, Raju Samtani, Michael Nolan, Alex Borrelli Activities: Investment company focusing on small cap companies in the natural resource sector
<b>Colin Bird</b>	Director and shareholder of the Company and Tiger, Vendor of the Zambian Projects Address: 2nd Floor, 7/8 Kendrick Mews, London SW7 3HG Full biography and directorships set out on pages 40 and 121 respectively of this Document
<b>Raju Samtani</b>	Director and shareholder of the Company and Tiger, Vendor of the Zambian Projects Address: 2nd Floor, 7/8 Kendrick Mews, London SW7 3HG Full biography and directorships set out on pages 40 and 121 respectively of this Document
<b>Michael Nolan</b>	Shareholder of the Company and director and shareholder of Tiger Address: 2nd Floor, 7/8 Kendrick Mews, London SW7 3HG Biography: Michael Nolan (age 59) is a Chartered Accountant and has worked in the natural resource sector for over 25 years. He has been involved as a founder and board member of a number of listed companies in both extractive industries and in oil and gas exploration including Minmet plc, Connary Minerals plc, Crediton Minerals, Tiger Royalties & Investments plc, Lapp Plats plc, GoldQuest Mining Corp, Cove Energy plc, Fastnet Oil and Gas plc, Orogen Gold plc and Rathdowney Resources Ltd. Since sale of Cove Energy plc in 2012 he has been a board member of Discover Exploration Limited, a private equity backed oil and gas exploration company headquartered in London.
<b>Kjeld Thygesen</b>	Director and shareholder of the Company Address: 34 North Quay, Douglas, Isle of Man, IM1 4L Full biography and directorships set out on pages 41 and 124 respectively of this Document
<b>Christian Cordier</b>	Director and shareholder of the Company, Vendor of the Namibian and Botswanan Projects Address: 34 North Quay, Douglas, Isle of Man, IM1 4L Full biography and directorships set out on pages 40 and 120 respectively of this Document

**M&A Wealth Proprietary Limited**

Vendor of the Botswanan Projects  
Private company incorporated and registered in Botswana with UIN BW00000574093  
Registered office address: Plot 102, Unit 13, Gaborone International Commerce Park, Gaborone, Botswana  
Postal address: P O Box 81207, Gaborone, Botswana  
Principal Place of Business: Mokgosi Ward, Paje, Botswana  
Directors: Modisana Botsile  
Activities: Investments in private and listed small cap companies in the natural resources sector.

**Alan Marlow**

Vendor of the Namibian Projects  
Address: Avanti Resources Pty Ltd, 11 Mills Beach Close, Mornington, VIC 3931, Australia  
Biography: Alan Marlow (age 69) is the MD of Avanti Resources Pty Ltd, the Technical Director of the Shali Group of exploration companies focused on a portfolio of copper exploration and development projects in Central Namibia and rare earth exploration projects in Southern Namibia. He has an M.Sc. and a Ph.D. in economic geology, and is a Member of the AusIMM, and the Society of Economic Geologists. Alan is a Visiting Scientist at the Ocean & Earth Science Department at the University of Southampton. He has consulted to ASX and TSX listed companies with projects in Africa, Australia, Europe and South America.

**Wilhelm Shali**

Vendor of the Namibian Projects  
Address: 13 Heinitzburg Street, Windhoek, Namibia  
Biography: Mr. Wilhelm Shali (age 48) is Namibian born mechanical engineer with 20 years' experience in the management of drilling, open pit and under-ground mining operations. He is the founding director of the Shali Group of Companies, which include drilling, open pit mining, and underground mining subsidiaries. His experience include drilling for both water and mineral exploration in Angola and Namibia. Mr. Shali managed the open pit mining operations for Namdeb in the Orange River, the under-ground mining operations for Weatherly International at the Otjihase and Matchless mines, and the under-ground drilling program for North River Resources at the Namib Lead & Zinc mine. Mr. Shali was formerly a non-executive director of Range River Resources. Mr. Shali has recently managed the construction of a Service Station in Northern Namibia.

**Mohamad Ahmad**

Vendor of the Zambian Projects  
Address: Lamasat International Ltd, Plot no. 397/0/1 Chipwenupwenu Rd, Off Kafue Rd, Makeni, P.O Box 34033. Lusaka, Zambia  
Biography: Mohamad Ahmad (age 58) is a Zambian businessman of Lebanese descent. He is the founding Chairman of Lamasat International, one of the leading manufacturing of pipes and fittings used in mining, agriculture, construction, telecommunications and water and waste water reticulation companies in Zambia. He came to Zambia in 1990 and initially got involved in the manufacture of plastic products for domestic and industrial use. He later got involved in a Public Private Partnership (PPP) supported by the Government of the Republic of Zambia in the development and construction of the now famous multimillion dollar "Town Centre Market".  
Mohamad has continued to provide leadership to Lamasat International, which is a market leader. He is the Chairman of the

Lebanese community in Zambia and he also serves as the President of the Lebanese Cultural Association which is involved in a lot of philanthropic works supporting various efforts of the Government.

**Caleb Amos Mulenga**

Vendor of the Zambian Projects

Address: 91B Ngwerere Road, Roma, Lusaka Zambia

Biography: Caleb Mulenga (age 63) is a renowned Zambian business entrepreneur with vast business knowledge and experience. He previously worked as Project Officer and rose to the position of Regional Manager at Development Bank of Zambia where he worked for 12 years. He then went on to set-up Changeange Investments, a company involved in commodity trading, commodity broking and regional transport. In 1996, Caleb set up Superior Milling which is now one of the market leaders in the milling industry.

**Lukonde Makungu**

Vendor of the Zambian Projects

Address: plot Q1, Eland Lane, Meanwood, Ibex Hill, Lusaka, Zambia.

Biography: Lukonde Makungu (age 42) is a Zambian national whose interest in mining stems from his family as he was born into a mining family. His father was a mining engineer having worked for Zambia Consolidated Copper Mines (ZCCM) for over 40 years before his retirement. He studied business administration and marketing and upon his completion, he managed the family mines on the Copperbelt.

During the course of managing the family mines he gained experience in managing mining contracts relating to underground and open cast projects, bulk ore supplies to First Quantum Minerals (FQM), Konkola Copper Mines (KCM) and specializing in Mining explosives.

In addition to his experience and involvement in mining he also has interest in other sectors and he is currently pursuing business ventures in the pharmaceutical industry through a company called Biidot Medical Supply Limited.

Given that on Admission, the Concert Party will have an interest in shares carrying approximately 51.12 per cent. of the voting rights of the Company, for so long as the Concert Party remains treated as acting in concert and continues to hold 50 per cent. or more of the voting rights of the Company, they will be able to increase their further interests in the voting rights of the Company, although individual members of the Concert Party cannot acquire interests in shares through or between a Rule 9 threshold without Panel consent. However, if as a result of the exercise of warrants in issue on Admission (or otherwise) they collectively fall below that 50 per cent. level but continue to hold 30 per cent. or more of the voting rights of the Company, then any further purchase would be subject to Rule 9.

An offer under Rule 9 must be made in cash and at the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of the Company during the 12 months prior to the announcement of the general offer.

## **PART XVIII**

### **DEFINITIONS**

The following definitions apply throughout this document (unless the context requires otherwise):

129 SPA	a Sale & Purchase Agreement entered into between Zamcu Exploration Pty Ltd and Wilhelm Shali dated 26 October 2020 as amended by addenda, dated 14 <sup>th</sup> December 2020 and 27 <sup>th</sup> January 2021;
136 SPA	a Sale & Purchase Agreement entered into between Zamcu Exploration Pty Ltd and Wilhelm Shali dated 26 October 2020 as amended by addenda, dated 14 <sup>th</sup> December 2020 and 27 <sup>th</sup> January 2021;
Admission	admission of the Ordinary Shares to the standard listing segment of the Official List and to trading on the main market for listed securities of the London Stock Exchange;
AIM	the Alternative Investment Market of the London Stock Exchange;
AP Zambia	African Pioneer Zambia Pty Limited, a private company limited by shares registered in Zambia with registered number 120200007992;
AP Zambia Sellers	Raju Samtani, Colin Bird, Mohamad Ahmad, Caleb Amos Mulenga, Lukonde Makungu and Camden Park Trading;
APZ SPA	a Share Purchase Agreement entered into between the Company and the AP Zambia Sellers further details of which are set out at para 4.13 of Part XVI;
Articles, Articles of Association	the memorandum and articles of association of the Company in force from time to time;
Beaumont Cornish	means Beaumont Cornish Limited, a member of the London Stock Exchange and authorised and regulated in the conduct of investment business by the FCA;
Board	the board of Directors;
Botswanan Licences	All the Botswana licences owned by RCP;
Botswanan Projects	Kalahari Copperbelt Project comprising six licences (PLs 96, 98 and 100 to 103/2020) and Limpopo Mobile Belt Projects comprising two licences (PLs 97 and 99/2020);
Broker	Novum Securities Limited of 10 Grosvenor Gardens, Belgravia, London SW1W 0DH;
Business Day	any day (other than a Saturday or Sunday) or an English bank or public holiday;
City Code	the City Code on Takeovers and Mergers;
Control	means an interest, or interests, in shares carrying in aggregate 30 per cent. or more of the Voting Rights (as defined in the City Code) irrespective of whether the holding or aggregate holding gives de facto control;

Company, APP, African Pioneer	African Pioneer plc, a company with limited liability registered in the Isle of Man with registered number 008591V;
Competent Person's Report	The report found at Part XX of this Prospectus;
Concert Party	the members of the concert party listed in the Concert Party Table in Part XVII of this document;
Conditional Botswana Licence Sale Agreement	The conditional licence sale agreement, dated 12 March 2021 under which the Company agreed to sell Botswanan Licences to Sandfire and Sandfire agreed to develop the licences and share certain revenues with the Company contingent on meeting certain milestones;
Consideration Shares	A total of 84,642,857 New Ordinary Shares to be issued on Admission and comprising; (i) 55,000,000 New Ordinary Shares to the AP Zambia Sellers pursuant to the APZ SPA, (ii) 10,000,000 New Ordinary Shares to RCP Sellers pursuant to the RPC SPA; and (iii) 19,642,857 New Ordinary Shares to Zamcu Sellers pursuant to the Zamcu SPA;
CREST, CREST System	the paperless settlement system operated by Euroclear enabling securities to be evidenced otherwise than by certificates and transferred otherwise than by written instruments;
CREST Regulations	Isle of Man Uncertificated Securities Regulations 2006;
Directors, Board, Board of Directors	the directors of the Company, whose names appear in <i>Part VII – The Board of Directors</i> of this document, or the board of directors from time to time of the Company, as the context requires, and "Director" is to be construed accordingly;
Disclosure Guidance and Transparency Rules, DTRs	the disclosure guidance and transparency rules of the FCA made in accordance with section 73A of FSMA as amended from time to time;
Document	this prospectus;
EEA	the European Economic Area;
Enlarged Issued Share Capital	the issued share capital of the Company following the Placing and Admission;
EPL	Exclusive Prospecting Licenses;
Existing Issued Share Capital	the issued share capital of the Company as at the time of this Document;
Existing Ordinary Shares	11,729,826 Ordinary Shares of zero par value each in the capital of the Company in issue as at the date of this Document;
Fee Shares	a total of 3,239,364 New Ordinary Shares to be issued to various advisers in connection with the Admission;
Financial Conduct Authority, FCA	UK Financial Conduct Authority;
Financial Promotions Order	Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (SI 2005/1529);
Financial Reporting Council	The Financial Reporting Council Limited

First Ore Reserve	the first ore reserve reported under JORC Code 2012 edition on the Botswanan Licences which exceeds 200,000 tonnes of contained copper which will trigger the payment of the Success Payment under the Conditional Botswanan Licence Sale Agreement;
FSMA	the Financial Services and Markets Act 2000 of the UK, as amended;
Group	the Company and its Subsidiaries from Admission;
IASB	International Accounting Standards Board;
IFRS	International Financial Reporting Standards, as adopted by the EU;
IPO	Initial public offering
ISIN	International Securities Identification Number;
JORC	Australasian Joint Ore Reserves Committee;
LEI	Legal Entity Identifier;
Listing Rules	the listing rules made by the FCA under section 73A of FSMA as amended from time to time;
London Stock Exchange	London Stock Exchange plc;
Loan Conversion Shares	the 2,857,143 New Ordinary Shares to be issued on Admission to Tiger Royalties and Investments Plc on conversion of £100,000 Tiger loan to APP, 8,571,428 New Ordinary Shares to be issued on Admission to Sanderson Capita Partners Limited pursuant to the SCP Convertible Loan Note Agreement and 28,418,932 New Ordinary Shares to be issued to Sandfire on Admission pursuant to the Sandfire Convertible Loan Note Subscription Agreement;
Main Market	the main market for listed securities of London Stock Exchange plc
Market Abuse Regulations	Market Abuse Regulation (EU) No. 596/2014;
MiFID II	Directive 2014/65/EU of the European Parliament
Mineral Reserves	Mineral reserves as classified under JORC
Mineral Resources	Mineral resources as classified under JORC
Namibian Projects	Matchless Belt Projects comprising two licences EPL 5772 (Ongombo) and EPL 6011 (Ongeama);
Net Placing Proceeds	the gross Placing proceeds of £1,750,000 less any expenses paid or payable in connection with Admission and the Placing (but not including £83,378 payable in Fee Shares and not including the £63,045 already paid by the Company), being £1,448,923;
New Ordinary Shares	177,729,724 Ordinary Shares to be issued on Admission comprising; the Consideration Shares, the Loan Conversion Shares, the Fee Shares and the Placing Shares;
Official List	the official list maintained by the FCA;
Ordinary Shares	the ordinary shares of zero par value each in the capital of the Company;

Panel	the Panel on Takeovers and Mergers
PL	Prospecting Licenses;
Placing	the conditional placing of 50,000,000 Placing Shares by Novum at the Placing Price and on the terms and subject to the conditions of the Placing Agreement;
Placing Agreement	the agreement dated 26 May 2021 between the Company, the Directors, Broker and Beaumont Cornish relating to the Placing;
Placing Price or Issue Price	3.5 pence per Placing Share;
Placing Shares	the 50,000,000 New Ordinary Shares issued to investors pursuant to the Placing
Premium Listing	a premium listing under Chapter 6 of the Listing Rules;
Pro-Forma Financial Information	the unaudited pro forma statement of net assets;
Projects	the Company's licences in Namibia, Botswana and Zambia;
Prospectus Regulations Rules	the prospectus regulation rules of the FCA made in accordance with section 73A of FSMA, as amended from time to time;
QCA Corporate Governance Code, QCA Code	the QCA Corporate Governance Code issued by the Quoted Companies Alliance in the UK from time to time;
QIBs	qualified institutional buyers;
Qualified Investors	means persons or entities that are described as such in Article 2€ of the Prospectus Regulations
RCP	Resource Capital Partners Pty Ltd incorporated in Botswana on 27 May 2020 with company number: CO 1829212;
RCP Sellers	M&A Wealth Pty Ltd and Breamline Pty Limited;
RCP SPA	a Share Purchase Agreement entered into between the Company and the RCP Sellers dated 29 <sup>th</sup> October 2020, as amended by addenda, dated 17 <sup>th</sup> December 2020 and 27 <sup>th</sup> January 2021;
Registrar	Computershare or any other registrar appointed by the Company from time to time;
Registrar Agreement	the agreement dated 7 April 2021 between the Company and the Registrar.
Regulatory Information Service	A regulatory information service approved by the FCA.
Relevant Persons	a person defined as such in the FCA Handbook;
Resource Capital Partners Pty Ltd	a company incorporated in the Republic of Botswana Co 1829212 whose registered office is at Plot 102, Unit 13, Gabarone International Commerce Park, Gabarone, Botswana;
Restricted Jurisdiction	the United States, Canada, Japan, Australia and the Republic of South Africa;
RIS	a Regulatory Information Service;

SCP Convertible Loan Note Agreement	the convertible loan note agreement entered into between the company and Sanderson Capital Partners Limited on 21 October 2020 further details of which are set out at para 10.1.8 of Part XVI of this document;
Sandfire	Sandfire Resources Limited, incorporated in Australia and listed on the Australian Stock Exchange, with its registered office at Level 2, 10 Kings Park Road, West Perth, Western Australia 6005, Australia;
Sandfire Convertible Loan Note Subscription Agreement	the convertible loan note share subscription agreement entered into between the Company and Sandfire on 11 March 2021 further details of which are disclosed at para 10.1.10 of Part XVI of this document;
SDRT	Stamp Duty Reserve Tax;
SEC	US Securities and Exchange Commission;
SEDOL	stock exchange daily official list code;
Shareholders	Current and prospective shareholders in the Company following Admission;
Special Resolution	a resolution of Shareholders requiring a majority of not less than 75 per cent.;
Standard Listing	a standard listing under Chapter 14 of the Listing Rules;
Subsidiaries	the following three subsidiaries of the Company on Admission; Zamcu Exploration Pty Ltd, Resource Capital Partners Pty Ltd and African Pioneer Zambia Pty Ltd;
Success Payment	the one-off success payment to be paid by Sandfire to the Company under the terms of the Conditional Botswana Licence Sale Agreement in the range of US\$10 million to US\$80 million depending on the amount of contained copper in the First Ore Reserve;
Target Market Assessment	end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II
TIDM	Tradable Instrument Display Mnemonics
Tiger	Tiger Royalties and Investments Plc, incorporated in England and Wales with registered number 02882601 and which is the parent company of APP;
Tiger Loan Facility	the bridging loan facility between Tiger and APP entered into on 29 January 2021 further details of which are set out at paragraph 10.1.14 of Part XVI of this document;
UKLA	UK Listing Authority;
United Kingdom, UK	the United Kingdom of Great Britain and Northern Ireland;
UK Prospectus Regulation	the UK version of Regulation (EU) 2017/1129 of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing

Directive 2003/71/EC, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018;

United States

United States of America;

Zamcu

Zamcu Exploration Pty Ltd incorporated in Australia on 13 November 2018 with registration number ACN 629 989 877;

Zamcu Sellers

Tonehill Pty Ltd, Coreks Super Pty Ltd and Breamline Pty Limited;

Zamcu SPA

a Share Purchase Agreement entered into between the Company and the Zamcu Sellers dated 29<sup>th</sup> October 2020 as amended by addenda, dated 17<sup>th</sup> December 2020 and 27<sup>th</sup> January 2021;

Zambian Projects

Central African Copperbelt Projects comprising four licences (27771 HQ-LEL, 27770 HQ-LEL, 27768 HQ-LEL and 27767 HQ-LEL) and Zambezi Belt Project comprising one licence (27769 HQ-LEL).

In this Document any reference to any EU directive, EU regulation, EU decision, EU tertiary legislation or provision of the EEA agreement (an “**EU Matter**”) which forms part of domestic law by application of the European Union (Withdrawal) Act 2018 shall be read as reference to that EU Matter as it forms (by virtue of the European Union (Withdrawal) Act 2018) part of domestic law and as modified by domestic law from time to time. For the purposes of this paragraph, (i) ‘**domestic law**’ shall have the meaning given in the European Union (Withdrawal) Act 2018; and (ii) any other words and expressions shall, unless the context otherwise provides, have the meanings given in the European Union (Withdrawal) Act 2018.

## PART XIX

### GLOSSARY OF TECHNICAL TERMS

<i>Archaean</i>	The oldest rocks of the Precambrian era, older than about 2,500 million years.
<i>As</i>	Arsenic
<i>Au</i>	Gold
<i>Auriferous</i>	Gold rich
<i>basement</i>	The igneous and metamorphic crust of the earth, underlying sedimentary deposits.
<i>BWP</i>	Botswana Pula
<i>C\$</i>	Canadian dollar
<i>carbonate</i>	A rock, usually of sedimentary origin, composed primarily of calcium, magnesium or iron and $\text{CO}_3$ . Essential component of limestones and marbles.
<i>CIM</i>	Canadian Institute of Mining, Metallurgy and Petroleum
<i>conglomerate</i>	A rock type composed predominantly of rounded pebbles, cobbles or boulders deposited by the action of water.
<i>craton</i>	Large, and usually ancient, stable mass of the earth's crust comprised of various crustal blocks amalgamated by tectonic processes. A cratonic nucleus is an older, core region embedded within a larger craton.
<i>Cu</i>	Copper
<i>diamond drilling</i>	Method of obtaining cylindrical core of rock by drilling with a diamond set or diamond impregnated bit.
<i>dolomite</i>	A mineral composed of calcium and magnesium carbonate; a rock predominantly comprised of this mineral is also referred to as dolomite or dolostone.
<i>EPL</i>	Exclusive Prospecting License
<i>fault</i>	A fracture or fracture zone, along which displacement of opposing sides has occurred.
<i>fold</i>	A planar sequence of rocks or a feature bent about an axis.
<i>Formation</i>	A laterally continuous rock unit with a distinctive set of characteristics that make it possible to recognize and map from one outcrop or well to another.
<i>gangue</i>	Gangue is the commercially worthless material that surrounds, or is closely mixed with, a wanted mineral in an ore deposit.
<i>gossan</i>	An iron rich secondary rock usually the result of weathering of a sulphide rich ore zone
<i>granite</i>	A generic term for coarse grained felsic igneous rocks, including granite.
<i>greenfields</i>	Early stage exploration

<i>greenstone</i>	A low-grade metamorphic rock that frequently contains green minerals such as chlorite, epidote, and talc, often derived from the metamorphism of basalt, gabbro, or diabase.
<i>ha</i>	hectares
<i>HQ-LEL</i>	Exploration License – Large Scale
<i>ICP</i>	Inductively Coupled Plasma analytical technique
<i>induced polarisation</i>	Induced polarization (IP) is a geophysical imaging technique used to identify the electrical chargeability of subsurface materials
<i>joints</i>	Regular planar fractures or fracture sets in massive rocks, usually created by unloading, along which no relative displacement has occurred.
<i>JORC</i>	Australian Joint Ore Reserve Committee
<i>Ma</i>	Million years
<i>mafic</i>	Descriptive of rocks composed dominantly of magnesium and iron rock-forming silicates.
<i>magnetic survey</i>	Magnetic surveys record spatial variation in the Earth's magnetic field.
<i>Mesoproterozoic</i>	Middle Proterozoic era of geological time, 1,600 to 1,000 million years ago.
<i>metamorphism</i>	Alteration of rock and changes in mineral composition, most generally due to increase in pressure and/or temperature.
<i>MME</i>	Ministry of Mines and Energy
<i>N\$</i>	Namibian dollar
<i>oxidation</i>	A chemical reaction in which substances combine with oxygen. For example, the combination of iron with oxygen to form an iron oxide.
<i>Pb</i>	Lead
<i>pegmatite</i>	A coarse crystalline igneous rock usually formed in the late stages of granite crystalisation
<i>PL</i>	Prospecting license
<i>Precambrian</i>	Pertaining to all rocks formed before Cambrian time (older than 545 million years).
<i>Proterozoic</i>	An era of geological time spanning the period from 2,500 to 545 million years before present.
<i>QP</i>	Qualified Person
<i>RC drilling</i>	(Reverse Circulation) A percussion drilling method in which the fragmented sample is brought to the surface inside the drill rods, thereby reducing contamination.
<i>satellite positioning system (global positioning system GPS)</i>	An instrument used to locate or navigate, which relies on three or more satellites of known position to identify the operator's location.

<i>schist</i>	A crystalline metamorphic rock having a foliated or parallel structure due to the recrystallisation of the constituent minerals.
<i>sedimentary</i>	Sedimentary rocks are types of rock that are formed by the accumulation or deposition of small particles and subsequent cementation of mineral or organic particles on the floor of oceans or other bodies of water at the Earth's surface.
<i>stratigraphy</i>	A branch of geology concerned with the study of rock layers and layering. It is primarily used in the study of sedimentary and layered volcanic rocks.
<i>stream sediment sampling</i>	The collection of samples of stream sediment with the intention of analysing them for trace elements.
<i>strike</i>	Horizontal direction or trend of a geological structure.
<i>supergene</i>	Supergene processes or enrichment are those that occur relatively near the surface as opposed to deep hypogene processes. Supergene processes include the predominance of meteoric water circulation with concomitant oxidation and chemical weathering.
<i>Supergroup</i>	The supergroup consists of a sequence of geological units
<i>tectonic</i>	Pertaining to the forces involved in, or the resulting structures of, movement in the earth's crust.
<i>ultramafic</i>	Igneous rocks consisting essentially of ferromagnesian minerals with trace quartz and feldspar.
<i>XRF</i>	X-ray fluorescence
<i>ZK</i>	Zambian Kwacha

**PART XX**  
**COMPETENT PERSONS REPORT**

Specialist Consultants to the Mining Industry

## African Pioneer PLC

### An Independent Competent Person's Report on the Mineral Assets of African Pioneer PLC in Namibia, Botswana and Zambia

#### JORC Competent Person's Report

Prepared by The MSA Group (Pty) Ltd for:

African Pioneer PLC

and

Beaumont Cornish Limited



#### Prepared By:

Nico Scholtz

Pr.Sci.Nat.

#### Reviewed By:

Mike Robertson

Pr.Sci.Nat.

**Effective Date:** 31 January 2021

**Report Date:** 25 May 2021

**MSA Project No.:** J4373

## **IMPORTANT NOTICE**

*This Competent Persons Report ("CPR") was requested by African Pioneer PLC ("African Pioneer" or the "Company") on mineral projects located within the Republics of Namibia, Botswana and Zambia and has been prepared by The MSA Group (Pty) Ltd. ("MSA"). The specific instructions to MSA were to prepare and deliver a CPR on African Pioneer's material assets and liabilities with respect to the mineral Projects in accordance with:*

- *the Prospectus Regulation Rules published by the Financial Conduct Authority ("FCA") and governed by the FCA*
- *the UK version of the Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 (the "UK Prospectus Regulation")*
- *the Admission and Disclosure Standards of the London Stock Exchange*
- *the European Securities and Market Authority ("ESMA") update of the CESR recommendations the consistent implementation of Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive (the "CESR Guidance") published on 20 March 2013: specifically paragraphs 131 to 133 section 1b – mineral companies, Appendix I – Acceptable Internationally Recognised Mining Standards, and Appendix II – Mining Competent Persons' Report – recommended content*
- *the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition) prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and Minerals Council of Australia ("JORC Code")*

*This report is intended for use by African Pioneer to be included in a prospectus (the "Prospectus") which needs to be approved by the Financial Conduct Authority ("FCA") in connection with a listing on the standard segment of the Official List and on the London Stock Exchange's Main Market ("Admission").*

### *Consultants and interests*

*The MSA Group is an internationally recognised, independent minerals industry consultancy. All consultants used in the preparation of this report are engaged directly by MSA and have relevant professional experience.*

*Details of the principal consultants involved in the preparation of this CPR are as follows:*

*Nico Scholtz, MSc (Geology); Pr.Sci.Nat. (Reg. No. 400299/07)*

*Nico Scholtz is a Geologist with 20 years' experience delineating and managing mineral exploration and near production projects in Africa, South America and China. He serves as a Competent - and Qualified Person under the JORC, SAMREC and NI-43-101 codes with sufficient experience in the style, genesis and occurrence of base and precious metals, rare and industrial minerals as well as nuclear fuels, precious stones and fossil fuels in varied geological settings. Nico has experience in managing multiple exploration programs in early and advanced stages as well as using multidisciplinary techniques in mineral exploration.*

### *Independence*

*Nico Scholtz and MSA are independent of the Company, its directors, senior management and its advisers.*

*Neither Nico Scholtz nor MSA, its directors, employees or company associates (the "Parties") have any economic or beneficial (present or contingent) interest in the Company nor in any of the mineral assets being evaluated in this report nor any of the Parties are remunerated by way of a fee that is linked to the admission or value of the Company hold any securities in the Company, its subsidiaries or affiliates.*

**Disclaimer/Reliance on Experts**

*Nico Scholtz has critically examined the information provided by the Company and made his own enquiries and applied his general geological competence. Nico Scholtz has not independently checked title interests with Government or licence authorities.*

*The evaluation presented in the CPR reflects our informed judgement based on accepted standards of professional investigation, but is subject to generally recognised uncertainties associated with the interpretation of geological, geophysical and subsurface data. It should be understood that any evaluation, particularly one involving exploration and future minerals developments, may be subject to significant variations over short periods of time as new information becomes available.*

*The quality of information, conclusions and estimates contained in this CPR are consistent with the level of effort involved in MSA's services, based on: i) information available at the time of preparation, ii) data supplied by outside sources, and iii) the assumptions, conditions, and qualifications set forth in this report. Except for the purposes legislated under the FCA and the London Stock Exchange, any other uses of this report by any third party is at that party's sole risk. Neither MSA, nor the authors of the Report, have or have previously had any material interest in African Pioneer or the mineral properties in which African Pioneer has an interest. MSA's relationship with African Pioneer is solely one of professional association between client and independent consultant. The Report is prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the findings of the Report. MSA accepts responsibility for the information contained in the CPR and that it is responsible for and has given and not withdrawn its consent to the inclusion of such information in the Prospectus in the form and the context in which it is included. To the best of the knowledge and belief of MSA (which has taken all reasonable care to ensure that such is the case), MSA has received, and will receive, professional fees for its preparation of the CPR. However, none of MSA or its directors, staff or subcontractors who contributed to the CPR has any interest in the Company or the Group assets reviewed or the outcome of the Placing. MSA, as an independent CP, has given and not withdrawn its written consent to the inclusion in the Prospectus of the CPR in the form and context in which it is included and has authorised the contents of the CPR for the purposes of PRR 5.5.3(2)(f) and item 23. of the Prospectus Regulation Rules. The author has endeavoured, by making all reasonable enquiries, to confirm the authenticity and completeness of the technical data upon which the Report is based. A final draft of the Report was provided to African Pioneer, along with a written request to identify any material errors or omissions prior to finalisation. MSA affirms that from 31 January 2021, being the cut-off date for inclusion of data (effective date of the Report) to 25 May 2021 being the date of issue of this Report, it is not aware of any material changes that would require modifications to this Report.*

**Normative References**

*London Stock Exchange – Admission and Disclosure Standards (effective 1 January 2021).*

*[https://docs.londonstockexchange.com/sites/default/files/documents/admission\\_disclosure\\_standards\\_01012021\\_website.pdf](https://docs.londonstockexchange.com/sites/default/files/documents/admission_disclosure_standards_01012021_website.pdf)*

*Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia. (20 December, 2012). [http://www.jorc.org/docs/jorc\\_code2012.pdf](http://www.jorc.org/docs/jorc_code2012.pdf)*



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# 1 SUMMARY

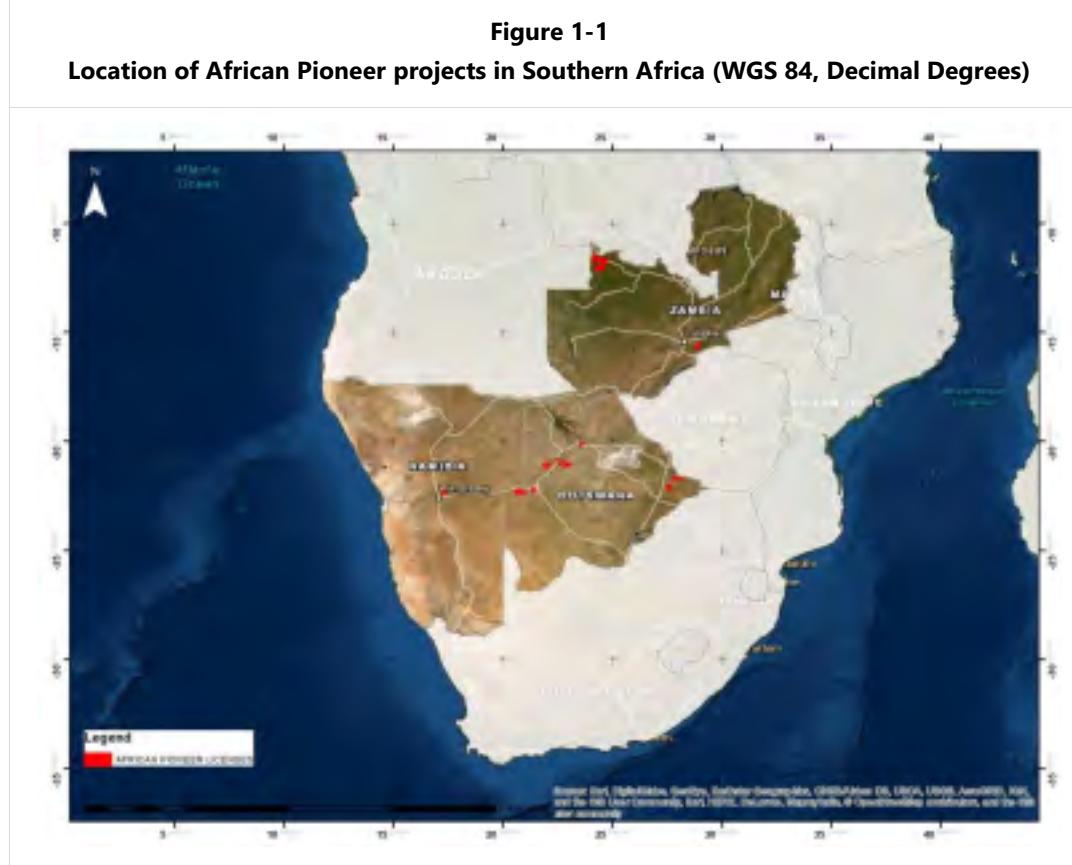
## 1.1 Introduction

The MSA Group ("MSA") has been commissioned by African Pioneer PLC ("African Pioneer", "African Pioneer Group" or "APP") to provide a Competent Person's Report ("the Report" or "CPR") on Mineral Projects located in the Republics of Namibia, Botswana and Zambia which will be owned by African Pioneer at Admission. The Report was requested by African Pioneer to form part of a prospectus for its planned listing on the Standard Segment of the Official List of the Financial Conduct Authority ("FCA") and on the Main Market for listed securities of the London Stock Exchange ("Admission"). The prospectus needs approval by the FCA. Further information on each of the Mineral Projects and agreements pursuant to which these are to be acquired by APP and to be completed on Admission are set out below. It should be noted that the Botswanan Projects are the subject of the Conditional Botswana Licence Sale Agreement referred to at section 1.4.3 of this Report.

## 1.2 Regional Project Location

African Pioneer Group exploration licenses located within the Southern African countries of Namibia, Botswana and Zambia (officially the Republics of) (Figure 1-1). Whereas Namibia has two sea ports on the Atlantic Ocean at Walvis Bay and Luderitz, Botswana and Zambia are both landlocked countries.

**Figure 1-1**  
**Location of African Pioneer projects in Southern Africa (WGS 84, Decimal Degrees)**



Source: (<https://www.arcgis.com/index.html>)



## **1.2.1 Namibian Projects**

The two Namibian Exclusive Prospecting Licenses (EPLs 6011 and 5772) are located within the Matchless Amphibolite Belt of central Namibia.

### **1.2.1.1 *Matchless Belt Projects***

The two adjacent EPLs are located in central Namibia, 5 and 10 km respectively to the northeast of Windhoek, the capital of Namibia. Together, these comprise the Ongombo and Ongeama projects.

## **1.2.2 Botswanan Projects: Subject to Conditional Botswana Licence Sale Agreement**

The Botswana Prospecting Licenses ("PLs") are located in two areas namely:

1. The Kalahari Copperbelt ("KC") comprising six licenses (PLs 96, 98 and 100 to 103 / 2020) and,
2. The Limpopo Mobile Belt ("Limpopo") comprising two licenses (PLs 97 and 99 / 2020).

### **1.2.2.1 *Kalahari Copperbelt Projects***

The six KC licenses (PLs 96, 98 and 100 to 103 / 2020) are located in western Botswana near the towns of Ghanzi and Maun. All PLs are located within 50 km of the main A2 highway connecting the towns of Ghanzi and Maun.

### **1.2.2.2 *Limpopo Mobile Belt Projects***

The Limpopo Licenses (PLs 97 and 99 / 2020) are located in eastern Botswana within 30 km of the town of Selebi Phikwe.

## **1.2.3 Zambian Projects**

The Zambia Large Scale Prospecting Licenses ("HQ-LEL's") are located in two areas namely, the Central Africa Copperbelt ("Copperbelt") in northwestern Zambia, comprising four licenses as well as the Zambezi Belt, comprising one license.

### **1.2.3.1 *Central African Copperbelt Projects***

The four Copperbelt licenses are located within 50 km of the regional town of Mwinilunga in northwestern Zambia. Access to the town of Mwinilunga is via the T5 highway from the town of Ndola past the Lumwana (Barrick) and Sentinel (First Quantum) copper mines.

### **1.2.3.2 *Zambezi Belt Project***

The Zambezi license is located near the village of Shapola, 70 km southeast of Lusaka, the capital of Zambia.

### 1.3 Tenure

The CP has not independently verified, nor is he qualified to verify, the legal status of the licenses forming the basis of this report. The present status of licences listed in this report is based on information as well as copies of documents provided by African Pioneer. This report has been prepared on the assumption that the licences will prove lawfully accessible for evaluation. Table 1-1 lists the licenses per country and provides details on License No. and Holder, expiry dates, mineral groups and land holding size (km<sup>2</sup>).

**Table 1-1**

**Tenure of the African Pioneer Group mineral licenses within the Republics of Namibia, Botswana and Zambia**

Licence No.	Licence Name	Licence Holder	Mineral Groups	Area (km <sup>2</sup> )	Expiry	APP % interest on Admission	
<b>NAMIBIA</b>							
<b>Matchless Belt Projects</b>							
EPL 5772	Ongombo	Manmar Investments 129 Pty Ltd	Base and Rare Metals, Precious Metals	120.9	8 Mar 2023 (2nd renewal)	70%	
EPL 6011	Ongeama	Manmar Investments 136 Pty Ltd	Base and Rare Metals, Precious Metals	81.2	27-Oct-2021 (2 <sup>nd</sup> renewal)	70%	
<b>BOTSWANA: Subject to Conditional Botswana Licence Sale Agreement</b>							
<b>Kalahari Copperbelt Projects</b>							
PL96/2020	Karakubis	Resource Capital Partners Pty Ltd	Metals	636.8	30-Sep-2023 (1 <sup>st</sup> renewal)	100%*	
PL98/2020	Junction	Resource Capital Partners Pty Ltd	Metals	217.2	30-Sep-2023 (1 <sup>st</sup> renewal)	100%*	
PL100/2020	Ghanzi	Resource Capital Partners Pty Ltd	Metals	395.0	30-Sep-2023 (1 <sup>st</sup> renewal)	100%*	
PL101/2020	Kuke	Resource Capital Partners Pty Ltd	Metals	180.3	30-Sep-2023 (1 <sup>st</sup> renewal)	100%*	
PL102/2020	Kalahari	Resource Capital Partners Pty Ltd	Metals	347.5	30-Sep-2023 (1 <sup>st</sup> renewal)	100%*	
PL103/2020	Maun	Resource Capital Partners Pty Ltd	Metals	169.0	30-Sep-2023 (1 <sup>st</sup> renewal)	100%*	
<b>Limpopo Mobile Belt Projects</b>							
PL97/2020	Serule	Resource Capital	Metals	636.8	30-Sep-2023 (1 <sup>st</sup> renewal)	100%*	



		Partners Pty Ltd				
PL99/2020	Phikwe	Resource Capital Partners Pty Ltd	Metals	217.2	30-Sep-2023 (1 <sup>st</sup> renewal)	100%*
<b>ZAMBIA</b>						
<b>Central African Copperbelt Projects</b>						
27771 HQ-LEL	Luamata South	African Pioneer Zambia Ltd	Co, Cu, Au and Ni	902.0	4-Nov-2024	80%
27770 HQ-LEL	Samuteba East	African Pioneer Zambia Ltd	Co, Cu, Au, Fe, Pb, Limestone, Mn, Ni, Ag and Zn	779.0	4-Nov-2024	80%
27768 HQ-LEL	Samuteba West	African Pioneer Zambia Ltd	Co, Cu, Au, Ni and Ag	361.1	4-Nov-2024	80%
27767 HQ-LEL	Samuteba Central	African Pioneer Zambia Ltd	Co, Cu, Au, Ni and Ag	324.2	4-Nov-2024	80%
<b>Zambezi Belt Project</b>						
27769 HQ-LEL	Chumbwe	African Pioneer Zambia Ltd	Bi, Cu, Au, Pt	436.0	4-Nov-2024	80%

**Note:**

*\*The Botswanan Licences will be 100% owned by APP via its wholly owned subsidiary, Resources Capital Partners Pty Ltd, on Admission. Following Admission, the Botswanan Licences will be sold by APP to Sandfire in accordance with the Conditional Botswana Licence Sale Agreement further details of which are set out below.*

## 1.4 Agreements

The CP understands that all the assets and associated agreements mentioned in this section will become effective on Admission.

### 1.4.1 Namibian Projects

African Pioneer has signed an agreement to acquire 100% of private Australian company Zamcu Exploration Pty Ltd in consideration for £350,000 to be satisfied by the issue on Admission of 10,000,000 Ordinary Shares of APP to the Namibian vendors.

Zamcu Exploration has signed agreements to acquire 70% of Manmar 136 and Manmar 129, the respective licence holders of EPL 6011 and EPL 5772, to be satisfied as follows:

- Manmar Investments 129 to be acquired for AUD237,600 in cash and AUD270,000 in shares of APP to be issued on Admission
- Manmar Investments 136 to be acquired for AUD26,400 in cash and AUD30,000 in shares of APP to be issued on Admission

The cash consideration of AUS\$264,000 (£145,556) has already been paid to Manmar 129 and Manmar 136 shareholders. In addition, approximately 4,900,000 shares of APP are to be issued to Avanti Resources Pty Ltd as trustee for the Marlow Super Fund pursuant to an introduction mandate



agreement. Accordingly, the total consideration for the acquisition of the Namibian Projects is £833,056.

#### **1.4.2 Zambian Projects**

African Pioneer has signed agreements with the below parties (Table 1-2) to acquire 80% of the Zambian Projects for £1.925m to be satisfied by the issue on Admission of 55,000,000 Ordinary Shares of APP to the Sellers.

**Table 1-2**  
**African Pioneer agreements on Zambian Projects**

<b>Seller's name</b>	<b>Number of shares in African Pioneer Zambia</b>	<b>Number of Sale Shares</b>	<b>Number of shares in the Company post share swap</b>	<b>Anticipated Number of Consideration Shares</b>
Mohamad Hamad	4,500	4,500	0	15,000,000
Colin Bird	4,500	4,500	0	15,000,000
Raju Samtani	4,500	4,500	0	15,000,000
Caleb Amos	2,813	750	2,063	2,500,000
Lukonde Makungu	2,812	750	2,062	2,500,000
Camden Park Trading	1,500	1,500	0	5,000,000
<b>Total:</b>	<b>20,625</b>	<b>16,500</b>	<b>4,125</b>	<b>55,000,000</b>

#### **1.4.3 Botswanan Projects: Subject to Conditional Botswana Licence Sale Agreement**

African Pioneer has signed an agreement to acquire 100% of Resources Capital Partners Pty Ltd, the holder of the Botswanan Licences in consideration for £350,000 to be satisfied by the issue of 10,000,000 Ordinary Shares of APP on Admission so that at Admission African Pioneer will own Resources Partners Pty Ltd.

It should be noted that on 12 March 2021 African Pioneer has entered into a conditional licence sale agreement with Sandfire Resources Limited ("Sandfire") (the "Conditional Botswana Licence Sale Agreement") under which APP guarantees the sale to Sandfire of the Botswanan Licences (which on Admission will be owned by APP) following Admission. The consideration payable by Sandfire to APP will be US\$1,000,000 with US\$500,000 payable in cash and the balance of US\$500,000 payable in Sandfire Shares. Under the Conditional Botswana Licence Sale Agreement Sandfire will be committed to spend a minimum of US\$1M within 2 years of settlement (the "Exploration Period") and if the US\$1M is not spent, any shortfall will be paid to APP. In addition, a one-off success payment to be paid to APP for the first ore reserve reported under JORC Code 2012 edition on the Included Licences which exceeds 200,000 tonnes of contained copper (the "First Ore



Reserve") in the range of US\$10 million to US\$80 million depending on the amount of contained copper in the First Ore Reserve (the "Success Payment").

**Note: given the limited exploration conducted on the Botswanan Included Licences to date and the many years that it could take to establish an Ore Reserve, there can be no guarantee that any such Success Payment will be forthcoming.**

The Conditional Botswana Licence Sale Agreement is conditional *inter alia* on ministerial consent for the transfer of the Botswana Licences by the Botswana Minister of the Ministry of Minerals, Energy and Water Resources ("Ministerial Consent") and approval of the acquisition of the Botswana Licences by the Competition Authority of Botswana (or confirmation from such authority or from either party's Botswana legal counsel that such approval is not required) ("Competition Approval"). Upon the conditions precedent of the Conditional Botswana Licence Sale Agreement being met the Botswana Licences will no longer form part of the African Pioneer group. If the conditions precedent of the Conditional Botswana Licence Sale Agreement are not met by the long stop date of 30 September 2021 or such later date as agreed by the parties then the Botswana Licences will remain part of the enlarged African Pioneer group at Admission which is why the details of the Botswana Projects are included in this Report.

## **1.5 Geological Setting and Mineralisation**

The geological history of southern Africa extends back to 3,650 Ma with the majority of the lithological record forming in the Precambrian period (>545 Ma). This history is described chronologically as a series of events starting with the formation of the Kaapvaal Craton in the Mesoarchaean and ending with the formation of a series of Mesozoic basins between 135 and 115 Ma during the break-up of Gondwana.

### **1.5.1 Namibian Projects**

#### **1.5.1.1 Matchless Belt**

Both the Ongombo and Ongeama projects (EPLs 5772 and 6011) are geologically located within the Matchless Member of the Kuiseb Formation, a conspicuous assemblage of lenses of foliated amphibolites, chlorite-amphibolite schist, talc schist and metagabbro. This belt, up to 5 km wide in the Otjihase Mine (in care and maintenance) area, stretches 350 km east-northeastwards within the Southern Zone of the Damara Orogen from the Gorob – Hope area in the south, towards Steinhausen in the north. The belt hosts copper-gold mineralisation which has been in past production at two localities (Otjihase - and Matchless Mines owned by Weatherly International plc).

### **1.5.2 Botswanan Projects: Subject to Conditional Botswana Licence Sale Agreement**

#### **1.5.2.1 Kalahari Copperbelt**

The Kalahari Copperbelt licences (PLs 96, 98 and 100 to 103 / 2020) are located in western Botswana. The northeast-trending Meso- to Neoproterozoic belt, approximately 1,000 km long by up to



250 km wide, stretches discontinuously from western Namibia into northern Botswana along the northwestern edge of the Palaeoproterozoic Kalahari Craton. The belt contains copper-silver mineralisation which is generally stratabound and hosted in metasedimentary rocks that have been folded, faulted and metamorphosed to greenschist facies during the Damara Orogeny.

#### **1.5.2.2 *Limpopo Belt***

The Selebi Phikwe regional area in eastern Botswana (comprising PLs 97 and 99 / 2020) is underlain by rocks of the Archaean basement which regionally forms part of the Azanian Craton, a fragment of Archaean continental crust comprising, from south to north, the Kaapvaal Craton, the Limpopo Belt and the Zimbabwe Craton. The Limpopo Project is set within the Motloutse Complex of eastern Botswana, a transitional boundary between the Zimbabwe Craton to the north and the Limpopo Mobile Belt to the south.

### **1.5.3 *Zambian Projects***

#### **1.5.3.1 *Central African Copperbelt***

The African Pioneer Zambia licences are located on the western edge of the fold-thrust belt of the Lufilian Arc. The Lufilian Arc is a Pan-African fold-and-thrust belt that extends over 800 km in an east-west direction, curving to the northeast. It originates in Luanshya (Zambia), extending through Kolwezi (Democratic Republic of the Congo) and terminates in south-eastern Angola. The Lufilian Arc comprises metasedimentary rocks of the Katanga Supergroup, which hosts the Central African Copperbelt. The Central African Copperbelt is the largest and most prolific mineralized sediment-hosted copper province known on Earth. In Zambia, the Lufilian Arc unconformably overlies the basement, which consists of older metamorphosed gneisses, schists, migmatites, amphibolites and granitoids. The geology within the African Pioneer projects predominantly comprises supracrustal metasedimentary rocks of the Nguba and Kundulungu Groups. Although exact stratigraphic placement of these lithologies is difficult on site, mostly due to the structural complexity of the area and limited outcrop, the regional geological setting of the area points towards similarities with the Ivanhoe Mines Ltd Kamoak-Kakula deposits in the adjacent Democratic Republic of the Congo ("DRC").

#### **1.5.3.2 *Zambezi Belt***

The Zambezi licence located within the Zambezi Belt of southern Zambia, hosts a lower Katanga Supergroup succession which, although less studied than its northern counterpart, also hosts a number of Copperbelt-style occurrences. The Mwembeshi Shear Zone forms the northern boundary of the Zambezi Belt, separating it from the Lufilian Arc. The Mwembeshi Shear Zone, which comprises multiple strands over a width of kilometres, has been interpreted to continue as the Matchless Belt in the Damara Supergroup of Namibia.

## **1.6 *Mineralisation Type and Model***



## 1.6.1 Namibian Projects

### 1.6.1.1 *Matchless Belt (Ongombo and Ongeama Projects)*

Both the Ongombo and Ongeama projects are generally described as Besshi-type volcanic-hosted massive sulphide ("VHMS") deposits. These are thin sheet-like bodies of massive to well-laminated pyrite, pyrrhotite, and chalcopyrite within thinly laminated clastic sediments and mafic tuffs.

## 1.6.2 Botswanan Projects: Subject to Conditional Botswana Licence Sale Agreement

### 1.6.2.1 *Kalahari Copperbelt*

The Kalahari Copperbelt contains copper-silver mineralisation, which is generally stratabound and hosted in metasedimentary rocks that have been folded, faulted and metamorphosed to greenschist facies during the Damara Orogeny.

### 1.6.2.2 *Limpopo Belt*

The area to the east and south of Francistown in eastern Botswana hosts a number of intrusive magmatic Ni–Cu–(PGE) sulphide deposits that remain poorly characterised. Several of the deposits are of considerable economic interest, including the mines at Phoenix and Selebi-Phikwe and the Selkirk ore body. Some of the deposits, notably at Phoenix, contain important concentrations of platinum group elements (ca 5–10 ppm in the sulphides). They are hosted by high-grade metamorphosed gabbronorites, pyroxenites and peridotites believed to be older than ca 2.0 Ga that intruded gneisses of the Central Zone of the Limpopo metamorphic belt.

## 1.6.3 Zambian Projects

### 1.6.3.1 *Central African Copperbelt*

The area is host to numerous operating copper-cobalt mines and has been worked continuously for the last century. It has been estimated to host over 5 billion tonnes of copper ore with grades of up to 4% Cu. The Central African Copperbelt is also host to around 40% of the world's known cobalt concentration and almost 50% of copper hosted in sedimentary deposits. Sedimentary copper deposits are the second most important source of copper after porphyry copper deposits and account for about 20% of the world's copper production. This world-class mineral province stretches from the Copperbelt Province in Zambia northwards through the Katangan Province of the Democratic Republic of Congo and back into the North Western Province of Zambia.

### 1.6.3.2 *Zambezi Belt*

Within the Zambezi Belt south of the Mwembeshi Shear Zone, thrusting and faulting of the complex Basement-Muva-Katanga terrain was accompanied by widespread de-watering, resulting in the genesis of a considerable number of gold and copper prospects which were deposited under similar conditions to that of the Central African Copperbelt. Additional gold mineralisation is evident in the area specifically at the Chumbwe Gold Prospect located on the western boundary of the African Pioneer Zambia License area. Regional interpretation has demonstrated that Chumbwe is likely to



form part of the Chongwe Copperbelt and therefore contains similar mode of deposition to that of the Central African Copperbelt.

## **1.7      Historical Exploration**

### **1.7.1    Namibian Projects**

#### **1.7.1.1    *Ongombo***

The Ongombo occurrence was discovered in the early 1970's by an airborne magnetic survey which was followed up by 132 diamond drill holes that defined three main northwest dipping mineralised shoots.

#### **1.7.1.2    *Ongeama***

The Ongeama copper occurrence is geologically similar to the Ongombo occurrence. Historical work defined a surface outcrop of northeast-southwest trending gossanous pelitic schists developed over 1.2 km. Subsequently, 26 diamond drill holes completed in 1970's demonstrated the Ongeama shoot extends down-plunge for a distance of 1,650 m, over a width of 150 to 250 m. Further drilling in the 1990's showed copper mineralisation to extend to a depth of 350 m below surface.

### **1.7.2    Botswanan Projects: Subject to Conditional Botswana Licence Sale Agreement**

#### **1.7.2.1    *Kalahari Copperbelt***

Although some of the African Pioneer Group licenses were previously held by MOD Resources Limited (who in October 2019 was acquired by Sandfire in a scheme of arrangements) prior to relinquishment, no historical work has been located to date.

#### **1.7.2.2    *Limpopo Mobile Belt***

Although one of these licenses formed part of the ASX listed Botswana Metals Ltd (Now Six Sigma) licences which were subsequently relinquished on PL renewal applications, no work has been done on these licenses to date.

### **1.7.3    Zambian Projects**

#### **1.7.3.1    *Central African Copperbelt***

These licenses were worked over many decades by a number of groups, the most recent being Anglo American in 2018 as well as MMG in 2016. Both companies completed airborne geophysical surveys and soil geochemical surveys, which culminated in a number of targets requiring follow up work. No drilling has been completed by either company, but historical reports point to a limited number of shallow RAB holes as well as two diamond drillholes on the Luamata South license (27771 HQ-LEL). No significant mineralisation was detected in this historical drilling.



#### **1.7.3.2 Zambezi Belt**

This license (27769 HQ-LEL) was previously held by ASX listed Zambezi Resources from 2004 to 2006. Although a significant gold prospect was located and drilled by Zambezi on the historical licenses, this occurrence is located just off the western boundary of the current African Pioneer Zambia license. Although a number of regional target areas were defined by Zambezi Resources on the current African Pioneer Zambia license, no information is available on ground follow up of these target areas.

#### **1.8 Exploration Work by African Pioneer on the Licenses**

No work has been done by African Pioneer on any of the licenses forming the basis of this Competent Person's Report.

The evaluation presented in this CPR reflects the informed judgement of the Competent Person ("CP") based on accepted standards of professional investigation but is subject to generally recognised uncertainties associated with the interpretation of geological, geophysical and subsurface data. It should be understood that any evaluation, particularly one involving exploration and future minerals developments, may be subject to significant variations over short periods of time as new information becomes available.

#### **1.9 Recommendations and Proposed Budget**

The recommendations and proposed budgets are completed per project and summarised per country on a two phased approach (over 18 months) recommended work programme. The African Pioneer Projects have evolved on the basis of variable exploration over the past decades and MSA considers the Project areas to have sufficient geological merit to justify the proposed work programmes and associated expenditure noted in this section. A total of USD 815,031 has been proposed to investigate the projects over an 18-month period.

It should be noted that upon completion of the Conditional Botswana Licence Sale Agreement the purchaser (Sandfire) will assume responsibility for the exploration budget of the Botswana Projects and has committed to US\$1,000,000 of exploration expenditure within two years of completion of the Conditional Botswana Licence Sale Agreement. If the Conditional Botswana Licence Sale Agreement does not complete by its long stop date of 30 September 2021 (or such later date as agreed by the parties) then African Pioneer will remain responsible for the Exploration Budget of the Botswana Projects.

#### **1.10 Conclusion**

African Pioneer will aim to raise sufficient working capital to ensure at least 18 months of field operations. The funds raised on Admission are understood by MSA to be committed to the exploration and assessment of African Pioneer's mineral properties in Namibia, Botswana (subject to the Conditional Botswana Licence Sale Agreement) and Zambia. MSA considers the Projects to



have sufficient geological merit to justify the proposed work programmes and associated expenditure. It is however logical and prudent that those less prospective areas are progressively relinquished as the results of the 18 months of work are progressively interpreted.

African Pioneer has now entered into the Conditional Licence Sale agreement with Sandfire as more fully described in section 1.4.3 and subject to the conditions precedent in that agreement being met and the completion of the sale of the Botswanan Licences, we understand the Company will apply any additional funds received from this transaction and the cost saved on the work programmes in respect of these projects towards the remaining projects and/or further acquisitions as and when any may be identified.



## **2 INTRODUCTION AND TERMS OF REFERENCE**

### **2.1 Terms of Reference**

The MSA Group ("MSA") has been commissioned by African Pioneer PLC ("African Pioneer" or "APP") to provide a Competent Person's Report ("the Report" or "CPR") on the African Pioneer Projects located in the Republics of Namibia, Botswana and Zambia. This CPR includes information pertaining to the following projects located within Southern Africa:

- 2 x Matchless Belt copper-gold projects located in the Republic of Namibia
- 6 x Kalahari Copperbelt copper-silver projects and 2 x Limpopo Mobile Belt copper-nickel-platinum group elements projects located in the Republic of Botswana (which are subject to the Conditional Botswana Licence Sale Agreement)
- 4 x copper projects and 1 x copper-gold project located in the Republic of Zambia

The CPR was requested by African Pioneer for inclusion in a Prospectus for a planned listing the Standard Segment of the Official List of the Financial Conduct Authority ("FCA") and on the Main Market for listed securities of the London Stock Exchange. The prospectus needs approval by the FCA.

A glossary of technical terms and abbreviations is included as Appendix 1.

#### **2.1.1 Units of Measurement**

All units of measurement used in this report are in metric, and the currency expressed in US dollars, unless otherwise stated.

#### **2.1.2 Relevant Codes and Guidelines**

This CP has been prepared as a technical assessment of the projects mentioned in this report in accordance with:

- The Prospectus Regulation Rules published by the Financial Conduct Authority ("FCA") and governed by the FCA;
- the UK version of the Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 (the "UK Prospectus Regulation");
- the Admission and Disclosure Standards of the London Stock Exchange;
- the European Securities and Market Authority ("ESMA") update of the CESR recommendations the consistent implementation of Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive (the "CESR Guidance") published on 20 March 2013: specifically paragraphs 131 to 133, section 1b – mineral companies, Appendix I – Acceptable Internationally



Recognised Mining Standards, and Appendix II – Mining Competent Persons’ Report – recommended content.

This CPR has furthermore been prepared in accordance with the following acceptable Internationally Recognized Mineral Standards:

- The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia (“JORC Code, 2012 Edition”)

Where exploration results have been referred to in this report, the information was prepared and first disclosed under the JORC Code (2012 Edition).

This CPR includes technical sections covering Country Profiles, Regional Geology and Mineralisation, Mineral Assets (including Geographical Setting, Geological Setting and Mineralisation, Exploration History and Results, Summary and Recommendations for each property), Exploration Programme and Concluding Remarks. It has been prepared under the direction of the Competent Person (“CP”) as defined by the JORC Code (2012 Edition).

This Report is not a Valuation Report (as defined in the VALMIN Code) and does not express an opinion as to the value of the mineral assets or make any comment on the fairness and reasonableness of any transactions related to the Offer. Aspects reviewed in this Report may include prices, socio-political issues and environmental considerations; however, the author does not express an opinion regarding the specific value of the assets and licences involved.

## **2.2 Independence**

MSA, its directors, employees or associates are not, nor do they intend to be, a director, officer or other direct employee of African Pioneer and have no material interest in the Projects being evaluated. Their relationship with African Pioneer is solely one of professional association between client and independent consultants. The revisions, data investigations and the completion of this Report are prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this Report.

## **2.3 Sources of Information**

The statements and opinion contained in this Report are given in good faith and this Report is based on information provided by African Pioneer, along with technical reports prepared by consultants, previous licences holders and other relevant published and unpublished data for the licence areas. The CP has endeavoured, by making all reasonable enquiries, to confirm the authenticity, accuracy and completeness of the technical data upon which this Report is based. A final draft of this Report was provided to African Pioneer along with a written request to identify any material errors or omissions prior to lodgement.



The information in this report that relates to Exploration Results is based on information compiled from historic exploration data by Mr Nico Scholtz, a Competent Person who is a Professional Natural Scientist (Pr. Sci. Nat.) registered with the South African Council for Natural Scientific Professions. Mr Scholtz has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activities recommended to qualify as a Competent Person as defined in the JORC Code (2012 Edition). Mr Scholtz consents to the inclusion in this Report of the matters based on his information in the form and context in which it appears.

## **2.4 Coordinate Systems**

Unless indicated otherwise, all of the coordinates stated in this report are in Universal Transverse Mercator (UTM) 1984 World Geodetic System (WGS84) datum, with the following projections:

- UTM Zone 33 South (33S) for Namibia
- UTM Zone 35 South (35S) for Eastern Botswana
- UTM Zone 35 South (35S) for Western Botswana and,
- UTM Zone 35 South (35S) for Zambia

## **2.5 Visits by Competent Person to Projects**

In accordance with ESMA regulations Appendix II iii (7), site visits by the Competent Person (Nico Scholtz) were not completed to all Projects noted in this report. Nico Scholtz has, however, visited the Ongombo Project in Namibia on 10 August 2017 and on the Limpopo Mobile Belt Projects in Eastern Botswana between 10 and 20 July 2010.

Although the CP has not yet been to site on the Botswana or the Zambia Projects mentioned in this report, the CP has conducted a number of mineral exploration investigations on various projects within the Kalahari Copperbelt of Botswana as well as on the Central African Copperbelt in Zambia since 2010.



### 3 RELIANCE ON OTHER EXPERTS

Mr Nico Scholtz, an MSA Associate Consulting Geologist prepared this report for African Pioneer. The information, conclusions, opinions, and estimates contained herein are based on information available to the author at the time of writing. All statements and opinions expressed in this document are given in good faith and in the belief that such statements and opinions are neither false nor misleading. No other experts were consulted.

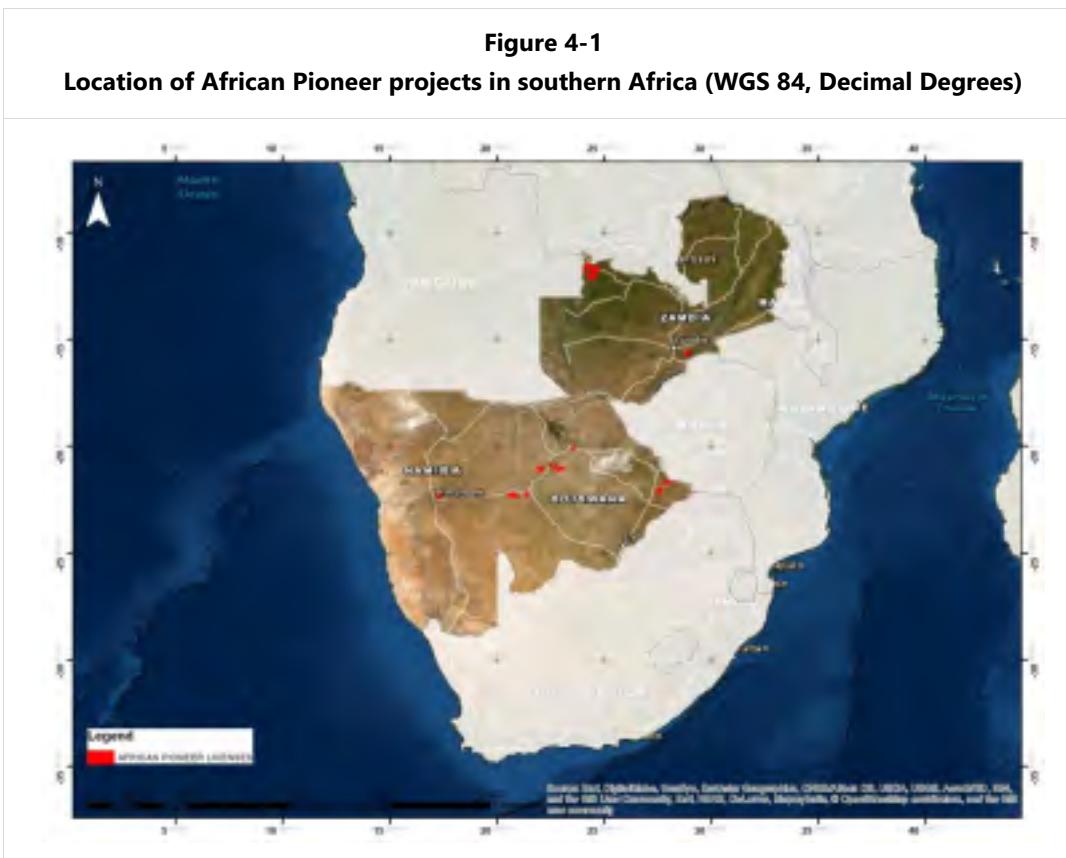
The legal status associated with the tenure of African Pioneer's properties is based on legal due diligence and opinions provided by HD Bossau and Co. in Namibia, Armstrongs attorneys in Botswana as well as Bemvi Associates in Zambia. The CPR has been prepared on the assumption that the licences will prove lawfully accessible for evaluation.

Neither MSA nor the author of this report is qualified to provide comment on legal issues associated with the Projects. Comment on these agreements is for introduction only and should not be relied on by the reader. Similarly, neither MSA nor the author of this report is qualified to provide comment on environmental issues associated with African Pioneer's Projects. No warranty or guarantee, be it express or implied, is made by MSA with respect to the completeness or accuracy of the legal or environmental aspects of this document. MSA does not undertake or accept any responsibility or liability in any way whatsoever to any person or entity in respect of these parts of this document, or any errors in or omissions from it, whether arising from negligence or any other basis in law whatsoever.

## 4 PROPERTY DESCRIPTION AND LOCATION

### 4.1 Location

The African Pioneer Group projects are located within the Republics of Namibia, Botswana and Zambia. Namibia is bordered on the west by the Atlantic Ocean and shares borders with Angola and Zambia to the north, Botswana and Zimbabwe to the east, as well as South Africa to the south and south-east (Figure 4-1). Both Botswana and Zambia are landlocked countries with closest sea ports either in South Africa, Tanzania, Mozambique or Namibia.



**Source:** (<https://www.arcgis.com/index.html>)

### 4.2 Mineral Tenure

The QP has not independently verified, nor is he qualified to verify, the legal status of the licences (Table 4-1 below) that form the basis of this CPR. The present status of licences listed in this report is based on information as well as copies of documents provided by African Pioneer. The report has been prepared on the assumption that the licences will prove lawfully accessible for evaluation.

**Table 4-1**  
**Mineral license details for the African Pioneer Group projects in the Republics of Namibia, Botswana and Zambia**

<b>Licence No.</b>	<b>Licence Name</b>	<b>Licence Holder</b>	<b>Mineral Groups</b>	<b>Area (km<sup>2</sup>)</b>	<b>Expiry</b>	<b>APP % interest on Admission</b>				
<b>NAMIBIA</b>										
<b>Matchless Belt Projects</b>										
EPL 5772	Ongombo	Manmar Investments 129 Pty Ltd	Base and Rare Metals, Precious Metals	120.9	8 Mar 2023 (2nd renewal)	70%				
EPL 6011	Ongeama	Manmar Investments 136 Pty Ltd	Base and Rare Metals, Precious Metals	81.2	27-Oct-2021 (2 <sup>nd</sup> renewal)	70%				
<b>BOTSWANA: Subject to Conditional Botswana Licence Sale Agreement</b>										
<b>Kalahari Copperbelt Projects</b>										
PL96/2020	Karakubis	Resource Capital Partners Pty Ltd	Metals	636.8	30-Sep-2023	100%*				
					(1 <sup>st</sup> renewal)					
PL98/2020	Junction	Resource Capital Partners Pty Ltd	Metals	217.2	30-Sep-2023	100%*				
					(1 <sup>st</sup> renewal)					
PL100/2020	Ghanzi	Resource Capital Partners Pty Ltd	Metals	395.0	30-Sep-2023	100%*				
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PL101/2020	Kuke	Resource Capital Partners Pty Ltd	Metals	180.3	30-Sep-2023	100%*				
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PL102/2020	Kalahari	Resource Capital Partners Pty Ltd	Metals	347.5	30-Sep-2023	100%*				
					(1 <sup>st</sup> renewal)					
PL103/2020	Maun	Resource Capital Partners Pty Ltd	Metals	169.0	30-Sep-2023	100%*				
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<b>Limpopo Mobile Belt Projects</b>										
PL97/2020	Serule	Resource Capital Partners Pty Ltd	Metals	636.8	30-Sep-2023	100%*				
					(1 <sup>st</sup> renewal)					
PL99/2020	Phikwe	Resource Capital Partners Pty Ltd	Metals	217.2	30-Sep-2023	100%*				
					(1 <sup>st</sup> renewal)					
<b>ZAMBIA</b>										
<b>Central African Copperbelt Projects</b>										
27771 HQ-LEL	Luamata South	African Pioneer Zambia Ltd	Co, Cu, Au and Ni	902.0	4-Nov-2024	80%				



27770 HQ- LEL	Samuteba East	African Pioneer Zambia Ltd	Co, Cu, Au, Fe, Pb, Limestone, Mn, Ni, Ag and Zn	779.0	4-Nov-2024	80%
27768 HQ- LEL	Samuteba West	African Pioneer Zambia Ltd	Co, Cu, Au, Ni and Ag	361.1	4-Nov-2024	80%
27767 HQ- LEL	Samuteba Central	African Pioneer Zambia Ltd	Co, Cu, Au, Ni and Ag	324.2	4-Nov-2024	80%
<b>Zambezi Belt Project</b>						
27769 HQ- LEL	Chumbwe	African Pioneer Zambia Ltd	Bi, Cu, Au, Pt	436.0	4-Nov-2024	80%

**Note:**

*\*The Botswanan Licences will be 100% owned by APP via its wholly owned subsidiary, Resources Capital Partners Pty Ltd, on Admission. Following Admission, the Botswanan Licences will be sold by APP to Sandfire in accordance with the Conditional Botswana Licence Sale Agreement further details of which are set out below.*

#### 4.2.1 Namibian Mineral Licensing

In Namibia, all mineral rights are vested in the state. The Minerals (Prospecting and Mining) Act of 1992 ([http://www.mme.gov.na/pdf/minerals\\_act\\_1992.pdf](http://www.mme.gov.na/pdf/minerals_act_1992.pdf)) regulates the mining industry in the country. Several types of mining and prospecting licenses exist, outlined briefly below:

- Non-Exclusive Prospecting Licenses ("NEPL") (Not a common exploration license application)
  - Valid for 12 months, these licenses permit prospecting non-exclusively in any open ground not restricted by other mineral rights. Prospectors must furnish the Mining Commissioner on details on all samples removed from the NEPL area.
- Reconnaissance Licenses ("RL") (Not a common exploration license application)
  - These licenses allow regional remote sensing techniques and are valid for 6 months (renewable under special circumstances) and can be made exclusive in some instances. A geological evaluation and work plan need to be submitted.
- Exclusive Prospecting License ("EPL") (Common exploration license application)
  - Individual EPL's can cover areas not exceeding 1,000 km<sup>2</sup> and are valid for three years, with two renewals of two years each. Two or more EPL's can be issued for more than one mineral in the same area. A geological evaluation and work plan (including estimated expenditure commitments) are a prerequisite prior to issuing of the licenses.
- Mineral Deposit Retention Licenses ("MDRL")
  - These allow successful prospectors to retain rights to mineral deposits which are uneconomical to exploit immediately. MDRL's are valid up to five years and can be renewed subject to limited work and expenditure obligations.
- Mining Licenses ("ML")



- MLs are awarded to Namibian citizens and companies registered in Namibia. They are valid for the life of mine or an initial 25 years, renewable up to 15 years at a time. Applicants must have financial and technical resources to mine effectively and safely.

#### 4.2.2 Botswanan Mineral Licensing

Mineral rights in Botswana are owned by the State. The Ministry of Mineral Resources, Green Technology and Energy Security oversees the operations and development of the energy, water and minerals sector in Botswana. Mining activities are chiefly administered under the Mines and Minerals Act, 1999 (the "Act"). The Act consists of 14 parts and two schedules. The legislation allows the government to acquire a minority stake (generally 15 percent) in mining projects as a partner and seek participation in the mining projects by having representation on their boards. The Act regulates the issuance of exploration and mining licences and endeavours to reach a balance between mining activity and environmental impact. The Act states the following:

- All rights of ownership of minerals are vested in the Republic of Botswana subject to the provisions of mineral rights in the Tribal Territories Act;
- The right to prospect or to mine minerals can be acquired and held only in accordance with the provisions of this Act, and no person is allowed to prospect or mine minerals except as provided in this Act;
- The Minister of Mineral Resources, Green Technology and Energy Security is responsible for the most efficient, beneficial and timely investigation and exploitation of mineral resources of the country; and
- No right to explore or produce petroleum (as defined in section 2 of the Petroleum Exploration and Production Act) may be granted or exercised under this Act. The following are the licences and permits granted under this Act.

A **Prospecting Licence** enables the holder to intentionally look for minerals in the prospecting area and determine their extent and economic value. A Prospecting Licence is valid for such period as the applicant has applied for and cannot exceed three years. The holder of a Prospecting Licence can apply for a renewal three months before the expiry of the licence and specify the period for which the renewal is sought. An applicant is entitled to the granting of not more than two renewals, each for the period applied for and not exceeding two years in either case.

A **Retention Licence** provides a right of retention over a prospecting area. The holder of a Prospecting Licence can apply for a Retention Licence in relation to the area and a mineral covered by his licence.

The holder of a Prospecting Licence, Retention Licence or a waiver (issued by the minister once being satisfied that the area over which a Mining Licence is required has been sufficiently prospected and that no other person has exclusive rights to that area) can apply for a **Mining Licence** for an area in respect of which the waiver has been issued or for an area within his prospecting area or retention area. A Mining Licence is valid for a period not exceeding 25 years.



The government has the option of acquiring up to 15 per cent working interest participation in the proposed mine upon the issuance of a Mining Licence.

A person wishing to conduct small-scale mining operations may apply for a **Minerals Permit** for any mineral other than diamonds over an area not exceeding 0.5 km<sup>2</sup> per permit. The holder of a Minerals Permit has to demarcate the area covered by such permit in the prescribed manner within three months of the issue of the permit. A Minerals Permit is valid for a period not exceeding five years as determined by the minister and may be renewed for further periods not exceeding five years each.

#### 4.2.3 **Zambian Mineral Licensing**

The primary law governing the mining sector in Zambia is the Mines and Minerals Development Act No. 11 of 2015 of the Laws of Zambia ("MMDA") as read together with the Mines and Minerals Development (Amendment) Act No. 14 of 2016 (Alexander and Silwamba, 2020). The following are the three types of licenses that are available for **large-scale operators**.

**Prospecting license** — This license confers the right to prospect for any mineral over any size of area for a period of 2 years and is renewable.

**Retention license** — This license confers the right to retain an area, subject to the Minister's agreement, over which feasibility studies have been completed, but market conditions are unfavourable for development of a deposit at that time. Size of area may be that covered by a prospecting license or smaller, as redefined by the license holder.

**Large-scale mining licence** — This license confers exclusive rights to carry out mining operations and other activities reasonably incidental to that in the area for a maximum of 25 years. The area to be held should not exceed the area required to carry out the proposed mining operations.

Applications need to be accompanied by environmental protection plans and proposals for employment and training of Zambian citizens.

Similar rights are available to **small-scale operators**, but on a reduced scale.

- **Prospecting permits** — These permits relate to areas of 10 square kilometres, are valid for 2 years and are non-renewable.
- **Small-scale mining license** — These relate to areas not exceeding 400 hectares, are valid for 10 years and are renewable.
- **Artisans' mining rights** — These give local people the right to mine on an artisanal basis in an area not exceeding 5 hectares, are valid for 2 years and are non-renewable.
- **Gemstone license** — Holders of this license may carry out mining operations over an area not exceeding 400 hectares, for a period of not more than 10 years.

The government of the Republic of Zambia has also created a framework for responsible development through publication of the Environmental Protection and Pollution Control



(Environmental Impact Assessment) Regulations, 1997. It also has a number of sector-specific laws and regulations related to the environment.

#### **4.3 Royalties and Taxes**

##### **4.3.1 Namibia**

The minimum tax rate on a mining company within Namibia is 25%. Most mining companies pay between 25 and 40%, with diamond mines taxed at 55%. Corporate tax of 40% applies to profits from non-mining activities. Allowable tax deductions for mining companies are as follows ([http://www.pwc.com/en\\_NA/na/assets/pdf/namibia-tax-reference-and-rate-card-july-2014.pdf](http://www.pwc.com/en_NA/na/assets/pdf/namibia-tax-reference-and-rate-card-july-2014.pdf)):

- All pre-production exploration expenditure is fully deductible in the first year of production.
- Subsequent exploration expenditure is fully deductible in the year it occurs, so that profits from existing operations can be used to fund exploration in any part of the country.
- Initial and subsequent development costs (including start-up capital and loan finance) are fully deductible in equal instalments over three years.
- Contributions to a fund for restoring the environment are fully deductible.

Royalties are levied in terms of the Prospecting and Mining Act as a percentage of the market value of the minerals extracted by license holders in the course of finding or mining any mineral or group of minerals. The rates are determined as follows:

- 3% on Precious -, Base and Rare Metals
- 2% on Semi Precious Stone, Non-Nuclear Fuel minerals, Industrial Minerals
- 3% on Nuclear Fuels and 5% on Oil and Gas

##### **4.3.2 Botswana**

Botswana has a source-based taxation system. Corporate income tax (CIT) is charged at a single flat rate of 22%. Manufacturing companies having the approval from the Minister of Finance for a special tax rate will be charged at the rate of 15%. Mining profits, other than profits from diamond mining, are taxed according to the following formula:

- Annual tax rate = 70 minus  $(1,500/x)$ , where x is taxable income as a percentage of gross income.

The tax rate shall not be less than the flat CIT rate of 22%. The royalties payable in Botswana shall be the following percentages of gross market value as set out below:

- 10% for Precious stones
- 5% for Precious metals



- 3% for Other minerals or mineral products

The term "gross market value" shall for the purposes of calculation of royalties be defined as the sale value receivable at the mine gate in an arm's-length transaction without discounts, commissions or deductions for the mineral or mineral product on disposal in terms of section 66 (3) of the Mines and Minerals Act.

#### 4.3.3 Zambia

A non-Zambian resident enterprise that has a permanent establishment ("PE") in Zambia will be subject to corporate income tax ("CIT") on its Zambian-source income. If there is no PE, Zambian-source income of the non-Zambian resident may still be subject to WHT, which is generally deducted at source. The standard rate of CIT applicable on taxable income of corporate entities (other than individuals) is 35% (PWC 2020). The mineral royalty tax regime in Zambia has undergone a number of changes since 2015. However, with effect from 1 January 2019, the following mineral royalty rates apply (Table 4-2):

**Table 4-2**  
**Zambia mineral royalties in 2020**

Description	Rate (%)
For the holder of a mining licence	
On the norm value of the base metals produced or recoverable under the licence, except where the base metal is copper	5.0
On the norm value of the base metals produced or recoverable under the licence, when the base metal is cobalt	8.0
On the norm value of the base metals produced or recoverable under the licence, when the base is a precious metal	6.0
On the gross value of the energy and industrial minerals produced or recoverable under the licence	5.0
On the gross value of the gemstones produced or recoverable under the licence	6.0
On the norm value of the precious metals produced or recoverable under the licence	6.0
Where the base metal produced or recoverable under the licence is copper	
On the norm value when the norm price of copper is less than USD 4,500 per tonne	5.5
On the norm value when the norm price of copper is USD 4,500 per tonne or greater, but less than USD 6,000 per tonne	6.5
On the norm value when the norm price of copper is USD 6,000 per tonne or greater, but less than USD 7,500 per tonne	7.5
On the norm value when the norm price of copper is USD 7,500 per tonne or greater, but less than USD 9,000 per tonne	8.5
On the norm value when the norm price of copper is USD 9,000 per tonne or greater	10.0

**Note:** Mineral royalty tax is not deductible in determining the taxable income of a mining company



#### **4.4 Property Boundary Demarcation**

For the purposes of this report, the CP has relied only on the Mineral License documents supplied by African Pioneer which show boundary positions of the licenses.

#### **4.5 License Numbers, Rights and Agreements on the Properties**

##### **4.5.1 Namibian Projects**

The Namibian license numbers are:

- EPL 5772
- EPL 6011

The license holders have the right to conduct mineral exploration on the two licences as per regulations set out within the Environmental Clearance Certificates and Environmental Management plan (Van Zyl, 2016). These include geophysical and geochemical surveys as well as intrusive exploration in the form of trenching or drilling.

African Pioneer has signed an agreement to acquire 100% of private Australian company Zamcu Exploration Pty Ltd as follows:

- 10,000,000 ordinary shares of APP

Zamcu Exploration has signed agreements to acquire 70% of Manmar 136 and Manmar 129 as follows:

- Manmar Investments 129 for AUD180,000 in cash and AUD270,000 in shares of APP
- Manmar Investments 136 for AUD20,000 in cash and AUD30,000 in shares of APP

In addition, approximately 4,900,000 shares of APP are to be issued to Avanti Resources Pty Ltd as trustee for the Marlow Family Fund pursuant to an introduction mandate agreement.

##### **4.5.2 Botswanan Projects: Subject to Conditional Botswana Licence Sale Agreement**

The Botswana license numbers are as follows:

- PL 96/2020 to PL 103/2020

The license holder has the right to conduct mineral exploration on the licences as soon as the Environmental Screening and Environmental Management plan is completed. The CP has been informed that such documents will be completed shortly.

- African Pioneer has signed an agreement to acquire 100% of Resources Capital Partners Pty Ltd, the holder of the Botswanan Licences, by the issue of 10,000,000 Ordinary Shares of APP on Admission so that at Admission African Pioneer will own Resources Partners Pty Ltd.



The Botswana Licences representing 100% of African Pioneer's interest at Admission in the Botswana Projects are subject to the Conditional Botswana Licence Sale Agreement, further details of which are summarised at paragraph 1.4.3 above. Upon the conditions precedent of the Conditional Botswana Licence Sale Agreement being met the Botswana Licences will no longer form part of the African Pioneer group. If the conditions precedent of the Conditional Botswana Licence Sale Agreement are not met by the long stop date of 30 September 2021 or such later date as agreed by the parties then the Botswana Licences will remain part of the enlarged African Pioneer group at Admission which is why the details of the Botswana Projects are included in this Report

#### 4.5.3 Zambian Projects

The Zambian license numbers are as follows:

- 27771 HQ-LEL
- 27770 HQ-LEL
- 27768 HQ-LEL
- 27767 HQ-LEL
- 27769 HQ-LEL

The license holders may commence with low key exploration, such as mapping and soil sampling immediately, but will require an Environmental Project Brief ("EPB"), before undertaking more advanced work, such as ground geophysics, trenching, drilling etc.

African Pioneer has signed agreements with the below parties (Table 4-3) for 55,000,000 Ordinary Shares in the share capital of the Purchaser at Completion.

**Table 4-3**  
**African Pioneer agreements on the Zambian Projects**

Seller's name	Number of shares in the Company	Number of Sale Shares	Number of shares in the Company post share swap	Anticipated Number of Consideration Shares
Mohamad Hamad	4,500	4,500	0	15,000,000
Colin Bird	4,500	4,500	0	15,000,000
Raju Samtani	4,500	4,500	0	15,000,000
Caleb Amos	2,813	750	2,063	2,500,000
Lukonde Makungu	2,812	750	2,062	2,500,000
Camden Park Trading	1,500	1,500	0	5,000,000
<b>Total:</b>	<b>20,625</b>	<b>16,500</b>	<b>4,125</b>	<b>55,000,000</b>



## **4.6 Environmental Liabilities, Permits and Social Aspects**

### **4.6.1 Namibian Projects**

An Environmental Clearance Certificate ("ECC") was issued for EPL 5772 and EPL 6011 on 8 May 2017, which was valid for a period of three years and provided for legal access and associated exploration works on the property as stipulated within the Environmental Management Plan ("EMP") completed by Envirodynamics out of Windhoek (Van Zyl, 2016) (Table 4-4). The ECC expired in May 2020 and was renewed on 24 February 2021 and is valid for a period of three years, expiring on 24 February 2024.

Surface rights on both EPLs are vested in private landowners. To the knowledge of the CP, there are no environmental liabilities on the EPLs, but according to the EMP, EPL 6011 (Ongeama) does contain certain sensitive areas that would have to be avoided during exploration activities on the EPLs. These sensitive areas include the following and are noted in Figure 4-2 (Van Zyl, 2016).

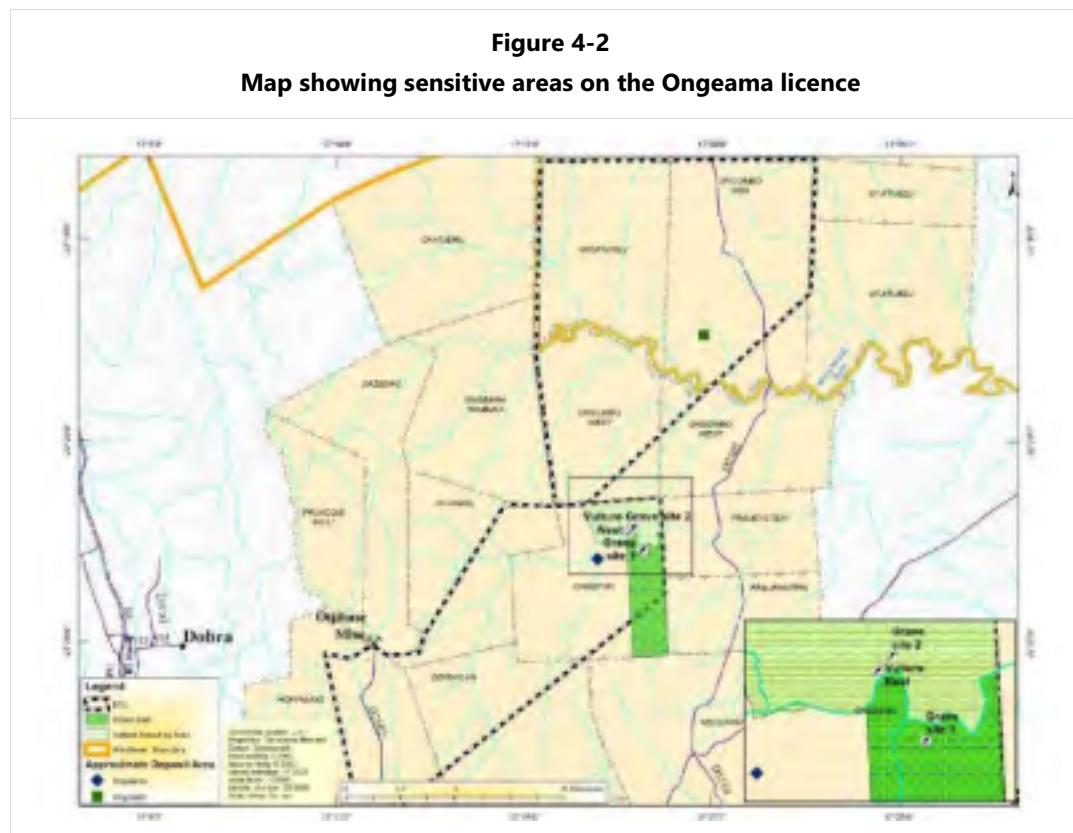
- Vulture breeding sites were identified by the environmental practitioner in 2015 as well as two grave sites on the farm Ongeama. These sites were GPS referenced and are indicated in Figure 4-2. Additional environmental features on the property include a "green belt" where no hunting or farming activities are allowed.

No other permits, apart from the ECC are required in order for the license holder to conduct exploration work on the EPLs in Namibia.

**Table 4-4**  
**Generic and site specific environmental management plans for EPLs 5772 and 6011 on**  
**the Matchless Belt in central Namibia**

THEME	OBJECTIVE	MITIGATION DETAIL	
		GENERIC	SITE-SPECIFIC
Waste management	Avoid and where not possible minimise all pollution associated with exploration	Section A	Section A
Health and safety	Safeguard health and safety of staff and the general public	Section B	N/A
Dust and noise	Avoid and where not possible minimise dust and noise associated with prospecting activities	Section C	Section C
Environmental training and awareness	Avoidance creation regarding the perception of the FNP as well as the importance of safeguarding environmental resources	Section D	N/A
Environmental conservation	Minimise exploration activity footprint and safeguard biodiversity in ecologically sensitive areas	Section E	Section F
Employment/ Recruitment	Minimise negative conflict through legal and fair recruitment practices	Section F	Section F
Stakeholder communication	Provide a platform for stakeholders to raise grievances and receive feedback and hence minimise negative conflict	Section G	Section G
Social and Cultural Heritage	Ensure due consideration is given to matters regarding the cultural and general wellbeing of the affected community and matters incidental thereto	Section H	N/A

**Source:** van Zyl (2016)



**Source:** Van Zyl (2016)

#### 4.6.2 Botswanan Projects: Subject to Conditional Botswana Licence Sale Agreement

The CP is unaware of any environmental liabilities or issues associated with the Botswana licenses. It is however, the understanding of the CP that the Prospecting License holder will need to undertake Environmental Screening studies for its projects in Botswana. The company may also need to complete an EMP for the project area which would provide it with clearance to conduct exploration and evaluation work including, but not limited to geophysics and other non-invasive exploration techniques, such as drilling and sampling. The CP understands that such environmental clearance has not yet been obtained. In addition, the Prospecting License holder may be required to complete a detailed Environmental Impact Assessment ("EIA") before any mining and/or processing can commence. No other permits are required in order for the license holder to conduct exploration work on the PLs in Botswana.

### 4.6.3 Zambian Projects

An EPB is normally sought from the Zambian Environmental Management Agency ("ZEMA"). Low key exploration, such as mapping, soil sampling etc. may not need an EPB, but it is usually sought before undertaking more advanced work, such as ground geophysics, trenching, drilling etc. The EPB application can be for only part of a licence if detailed work is anticipated over a limited area only. A pegging certificate is also issued once the licence has been pegged on the ground. The pegging certificate does not have an expiry date, but the EBP normally mentions a time span, which



may not be directly tied to the term of the license. No EPBs have as yet been completed for the Zambia Projects due to low key exploration completed to date. No other permits are required in order for the license holder to conduct exploration work on the PLs in Zambia (The Mines and Minerals Development (General) Regulations, 2016).

## **4.7 Project Obligations**

### **4.7.1 Namibian Projects**

According to the Mining Act (1992) the license holder has to make annual payments to the Ministry of Mines according to the size of the project (1 USD = approximately N\$ 16.5):

- EPL 6011 annual payments are N\$ 2,000
- EPL 5772 annual payments are N\$ 2,000

### **4.7.2 Botswanan Projects: Subject to Conditional Botswana Licence Sale Agreement**

According to Section 70 of the Mines and Minerals Act of the Republic of Botswana, the Prospecting License holder is required to pay to the Office of the Director of Department of Mines, an annual charge equal to five Botswana Pula (BWP5.00) (1 USD = approximately BWP 10.5) multiplied by the number of square kilometres in the Licence Area subject to a minimum annual charge of One Thousand Pula (BWP 1,000):

- PL 96 / 2020 – 636.8 km<sup>2</sup> annual payments are BWP 3,184
- PL 97 / 2020 – 636.8 km<sup>2</sup> annual payments are BWP 3,184
- PL 98 / 2020 – 217.2 km<sup>2</sup> annual payments are BWP 1,086
- PL 99 / 2020 – 217.2 km<sup>2</sup> annual payments are BWP 1,086
- PL 100 / 2020 – 395 km<sup>2</sup> annual payments are BWP 1,975
- PL 101 / 2020 – 180.3 km<sup>2</sup> annual payments are BWP 902
- PL 102 / 2020 – 347.5 km<sup>2</sup> annual payments are BWP 1,738
- PL 103 / 2020 – 169 km<sup>2</sup> annual payments are BWP 980

### **4.7.3 Zambian Projects**

The Prospecting License holder is required to pay an annual charge equal to 10 Zambian Kwacha (ZK10.00) (1 USD = approximately ZK 18) for large scale exploration licenses (postfix LEL) multiplied by the number of square kilometres in the Licence:

- 27771 HQ-LEL 902 km<sup>2</sup> annual payments are ZK 9,020
- 27770 HQ-LEL 779 km<sup>2</sup> annual payments are ZK 7,790

- 27768 HQ-LEL 361 km<sup>2</sup> annual payments are ZK 3,610
- 27767 HQ-LEL 324 km<sup>2</sup> annual payments are ZK 3,240
- 27769 HQ-LEL 436 km<sup>2</sup> annual payments are ZK 4,360

Zambia also has minimum annual expenditure per hectare defined in Table 4-5 (The Mines and Minerals Development Regulations, 2016).

**Table 4-5**  
**Minimum annual exploration expenditure per hectare (one fee unit equals 0.3 Zambian Kwacha) for exploration licenses in Zambia**

Type of licence	Minimum annual exploration expenditure per hectare									
	Fee units per hectare per year									
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Exploration Licence	40	40	40	40	120	120	120	160	160	160

*Source:* The Mines and Minerals Development Regulations (2016)

This minimum exploration expenditure per hectare is as follows per license:

- 27771 HQ-LEL 902 km<sup>2</sup> minimum annual expenditure of fee unit 3,608,000 (ZK1,082,400 or USD 56,916)
- 27770 HQ-LEL 779 km<sup>2</sup> minimum annual expenditure of fee unit 3,116,000 (ZK 934,800 or USD 49,154)
- 27768 HQ-LEL 361 km<sup>2</sup> minimum annual expenditure of fee unit 1,444,000 (ZK 433,200) or USD 22,779)
- 27767 HQ-LEL 324 km<sup>2</sup> minimum annual expenditure of fee unit 1,296,000 (ZK 388,800 or USD 20,444)
- 27769 HQ-LEL 436 km<sup>2</sup> minimum annual expenditure of fee unit 1,744,000 (ZK 523,200 or USD 27,511)

The total minimum expenditure per annum for the African Pioneer licences is noted in Table 4-6.



**Table 4-6**  
**Total minimum expenditure per annum for the African Pioneer licences**

Country	Total Licence Fees per Annum (USD)	Total Minimum Exploration Expenditure per Annum (USD)
Namibia	250	-
Botswana	1 250	-
Zambia	1 400	176 804
<b>TOTAL</b>	<b>2 900</b>	<b>176 804</b>

**Note:** <sup>1</sup> Note that although no total minimum expenditure was added for the Namibia and Botswana licences (no such legislation exists) the licence holder has to conduct exploration expenditure as close as possible per the original licence application. The CP of this report does not have details on the exploration expenditure proposed within the original Botswana or Namibia licence applications.

#### 4.8 Significant Environmental or Social Risk Factors

The African Pioneer projects appear not to have any significant risk factors associated with environmental or social aspects; however, the CP is not a qualified environmental or social scientist and detailed social and environmental investigations are recommended.



## **5 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY**

### **5.1 Climate**

The climate of the Southern African region, including Namibia, Botswana and Zambia, ranges from arid to sub-humid.

#### **5.1.1 Namibia**

Namibia has a semi-desert climate, warm during the day and cool at night, with extreme heat in the months between December and March. The country has the lowest rainfall of any sub-Saharan African country, yet still experiences extremes from the dry west to the sub-tropical northeast. There are two rainy seasons, the first between October and December and the other more important rains between January and April. The coast washed by the cold Benguela current is dry and arid and receives <50 mm of rainfall a year. Fog is common along the coast from late afternoon until mid-morning. The Ongombo and Ongeama projects are located in an area that received between 350 and 400 mm of rain per annum, mostly during the months of January to April, which is also the warmest time of the year on the project locations (Figure 5-1) (AQUASTAT Namibia, 2005).

#### **5.1.2 Botswana**

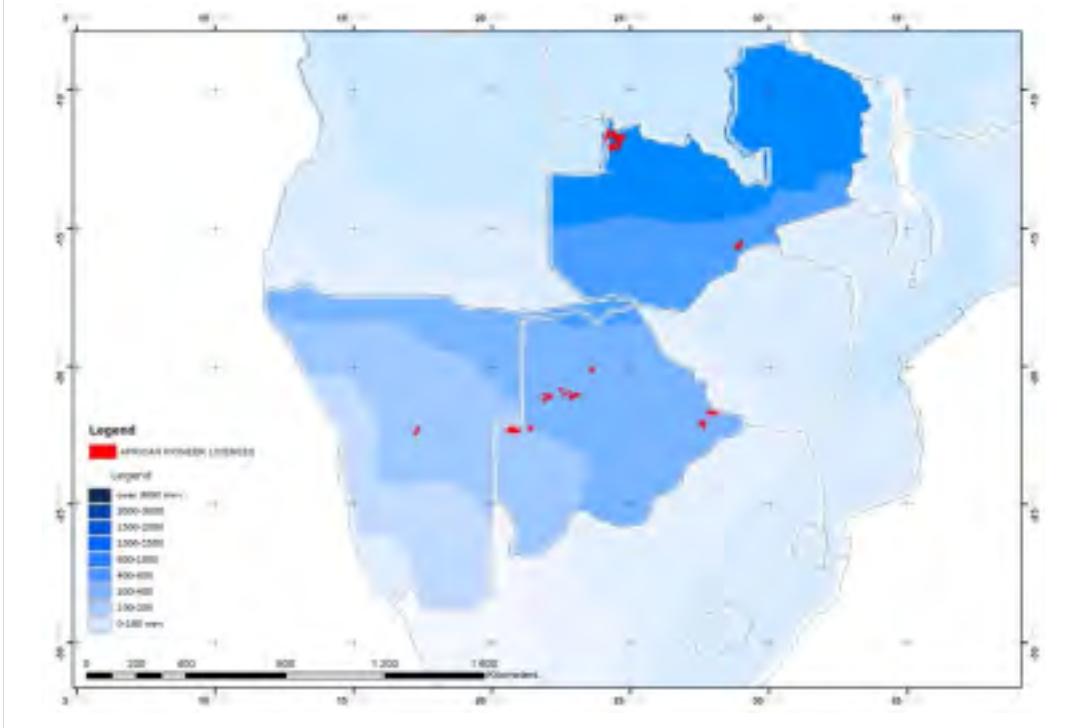
The climate of Botswana is semi-arid, hot and dry for much of the year. The rain season, which runs through the summer months of November to March, tends to be erratic, unpredictable and highly regional. The Kalahari Copperbelt Projects are located within western Botswana in an area that receives between 200 and 400 mm of rain per annum, mostly during the months of November to March, which is also the warmest time of the year on the project locations. The Limpopo Belt projects receive between 200 and 300 mm of rain per year, also during the months of November to March, which is also the warmest time of the year on the project locations (AQUASTAT Botswana, 2005).

#### **5.1.3 Zambia**

Zambia enjoys a sunny climate with three distinct seasons namely a cool dry season in May to August; a hot dry season in September to November; and a warm rainy season in the months of December to April. The modifying influence of altitude gives the country pleasant subtropical weather conditions for most of the year. The distinction between rainy and dry seasons is marked with very little rainfall during the months of June, July and August. Much of the economic, cultural and social life of the country is dominated by the onset and end of the rainy season, and the amount of rain it brings. The Copperbelt projects are located in an area that receives between 1,200 and 1,400 mm of rain per year mostly between the months of October and April. The Zambezi project is located in an area that receives between 700 and 800 mm of rain per year, also mostly between the months of October and April (AQUASTAT Zambia, 2005).

**Figure 5-1**

**Annual precipitation for the African Pioneer projects in Southern Africa (WGS 84, Decimal Degrees)**



**Source:** <http://www.the-eis.com>

## 5.2 Physiography

Much of the interior of southern Africa consists of a plateau 1 to 1.5 km high and a narrow coastal belt (Figure 5-2). The topography influences the track and development of many weather systems, leading to marked gradients in rainfall and varied vegetation across southern Africa.

### 5.2.1 Namibia

Three distinct features dominate Namibia's topography. The west is characterized by a narrow coastal plain that extends inland for approximately 120 km and is also known as the hyper arid Namib Desert. An eroded escarpment, which forms part of southern Africa's Great Escarpment lies at the eastern edge of the coastal plain. To the east of the escarpment lies a vast interior plateau, with elevations of 1,000 to 1,500 m. Widespread plains dominate the plateau, except in the southeast and northeast, where the dunes of the Kalahari Desert are more prominent. The terrain in the Matchless project area is gently undulating with elevations in the range of 1,600 to 2,000 m amsl.

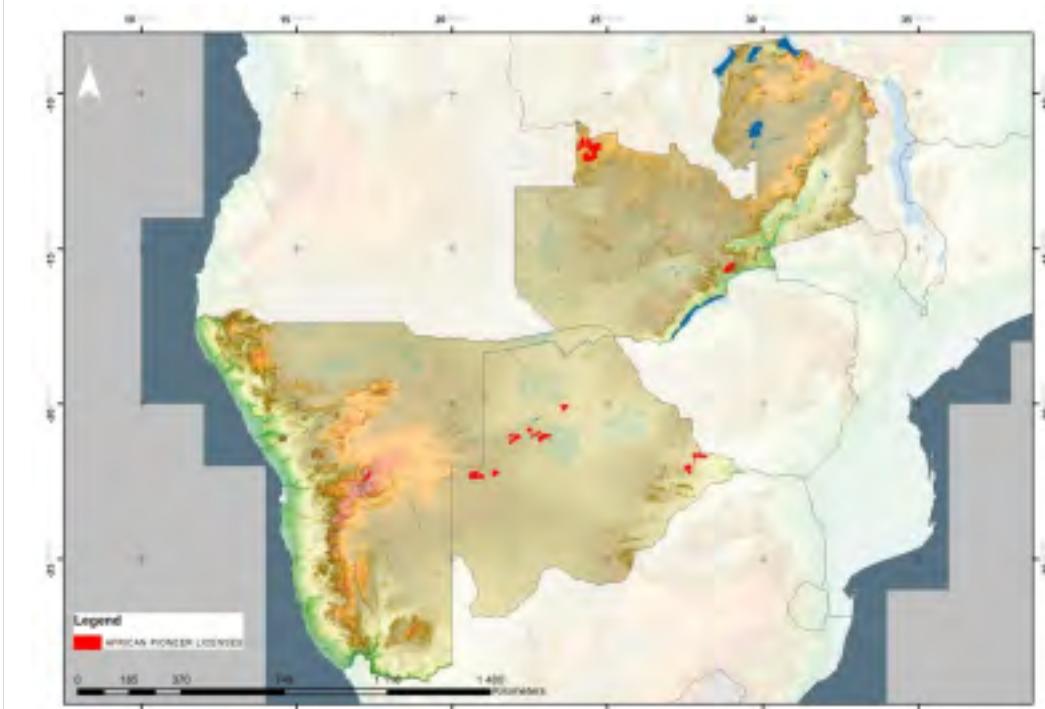
### 5.2.2 Botswana

Botswana is topographically flat, with up to 70 percent of its territory being overlain by the Kalahari Desert. The Kalahari Copperbelt projects are located in western Botswana, where most of the area is flat and covered by windblown Kalahari sand and calcrete plains. The Limpopo area in eastern Botswana is typically more incised comprising an undulating topography where outcrop is common (AQUASTAT Botswana, 2005).

### 5.2.3 Zambia

Zambia is a landlocked country and consists mostly of high plateau (900 to 1,500 m), with some hills and mountains, dissected by river valleys. Major relief features occur where river valleys and rifted troughs, some lake-filled, dissect its surface. The highest elevations occur in the east, where the Nyika Plateau on the Malawian border is generally over 1,800 m, rising to more than 2,100 m in the Mafinga Hills. The alluvial plains in the south of the country, with altitudes around 300 m, form the lowest and hottest parts of the country. The Copperbelt projects, located within the northwestern part of the country are situated on a relatively flat lying inland plateau with heights varying between 1,200 and 1,500 mamsl. The Zambezi project, located in the southern parts of the country is situated on lower lying plains varying in height between 700 and 500 mamsl (AQUASTAT Zambia, 2005).

**Figure 5-2**  
**Topography for the African Pioneer projects in Southern Africa (WGS 84, Decimal Degrees)**



Source: <http://www.the-eis.com>

## 5.3 Vegetation

The vegetation types occurring within Namibia, Botswana and Zambia are shown in Figure 5-3.

### 5.3.1 Namibia

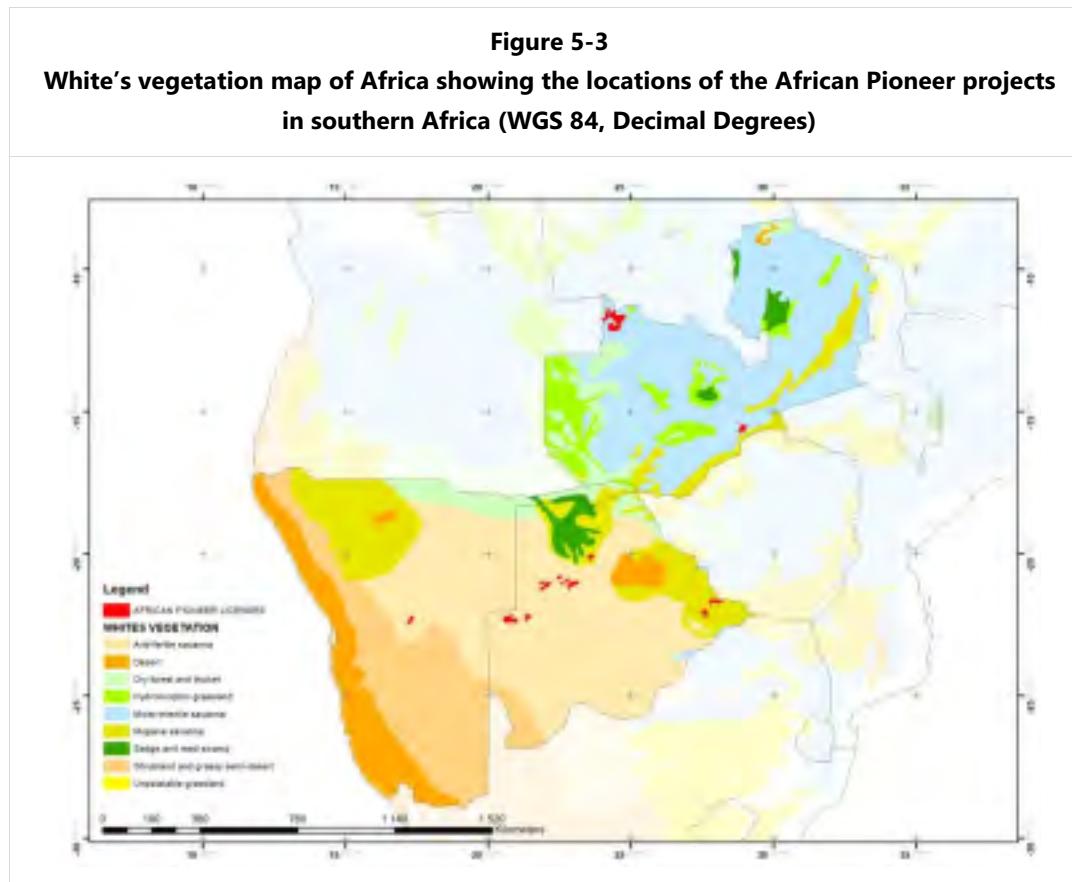
The Matchless projects are located within an arid fertile vegetation type according to White (1983).

### 5.3.2 Botswana

The Kalahari Copperbelt projects, with the exception of the northernmost PL are located within an arid fertile vegetation type according to White (1983). The northernmost PL and the Limpopo Mobile Belt projects are located within Mopane Savanna.

### 5.3.3 Zambia

The Zambian projects are located within a moist infertile savanna vegetation type according to White (1983).

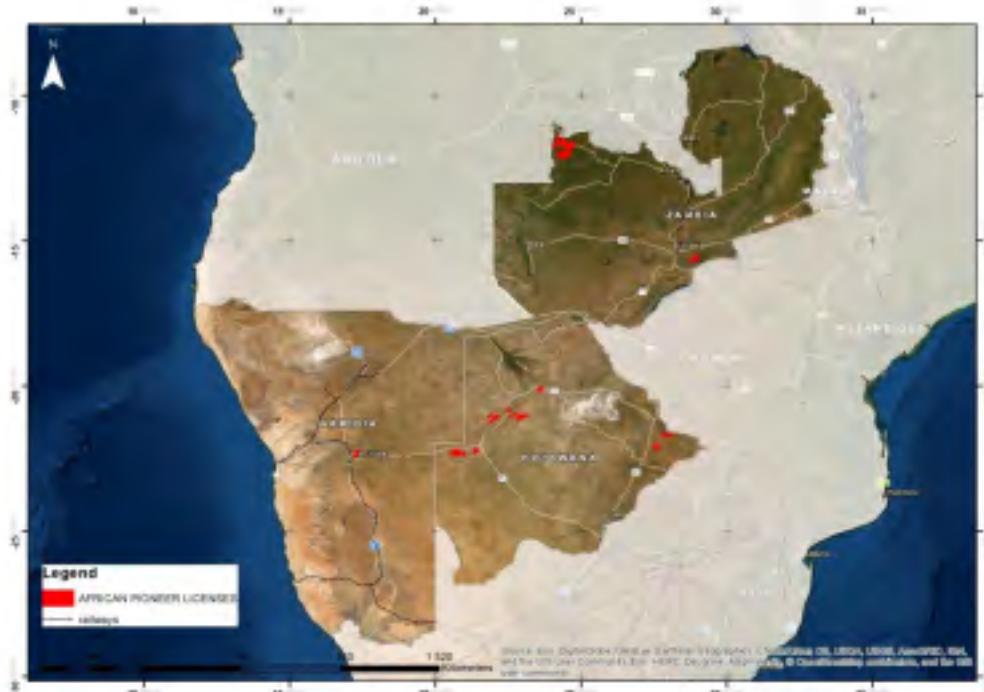


Source: [White \(1983\)](#)

## 5.4 Access and Availability of Exploration Requirements

Southern Africa has some of the best infrastructure on the continent with well-maintained tarred and gravel roads as well as navigable minor tracks and farm roads (Figure 5-4). As a whole, the region relies upon bulk movement of numerous products, which include bulk base metal ores as well as farm products and machinery from and to the main deep water ports in Namibia and South Africa. As such the infrastructure including roads, railway and electricity supply are generally well maintained.

**Figure 5-4**  
**Road and rail infrastructure of southern Africa showing the location of the African Pioneer projects (WGS 84, Decimal Degrees)**



**Source:** MSA (2021)

### 5.4.1 Namibian Projects

Both projects are located in the Khomas Region of central Namibia within 50 km by road from the capital Windhoek. Both EPLs are accessed via the B6 road leading eastwards towards Hosea Kutako International Airport. EPL 6011 (Ongema) is accessed via the D1527 road leading northwards towards the *Weatherly International plc* Otjihase Mine (now under administration), while the D2102 (branching from the D1510) district road provides access to EPL 5772 (Ongombo). The international airport is approximately 12 km east of the combined EPL area. Labour will be available from the city of Windhoek. Potential tailings storage areas, waste disposal areas, heap leach pads and potential processing plant sites can only be identified after an EIA has been completed. Windhoek should also be able to supply most exploration requirements and comply with all sustenance supplies.



## **5.4.2 Botswanan Projects: Subject to Conditional Botswana Licence Sale Agreement**

### **5.4.2.1 *Kalahari Copperbelt Projects***

The Kalahari Projects are located in western Botswana spread out between the Buitepos Borderpost and the northern capital of Maun. As such, access varies from one PL to the next, but all projects are regarded as easily accessible from the main A2 / A3 tarred roads. Labour will be available from the regional towns of Ghanzi and Maun. Potential tailings storage areas, waste disposal areas, heap leach pads and potential processing plant sites can only be identified after an EIA has been completed. These towns should also be able to supply most exploration requirements and comply with all sustenance supplies.

### **5.4.2.2 *Limpopo Projects***

The Limpopo Projects are located in eastern Botswana nearby to the towns of Selebi Phikwe and Francistown. The projects are easily accessed from the main A1 tarred road leading between Francistown and Gaborone, the capital of Botswana. Labour will be available from the towns of Francistown and Selebi Phikwe. Potential tailings storage areas, waste disposal areas, heap leach pads and potential processing plant sites can only be identified after an EIA has been completed. Both these towns should also be able to supply most exploration requirements and comply with all sustenance supplies.

## **5.4.3 Zambian Projects**

### **5.4.3.1 *Central African Copperbelt Projects***

The projects are located nearby to the main regional town of Mwinilunga. Although access to the regional area are regarded as good, no doubt that most of the licences will have access issues resulting from limited on site infrastructure. Labour will be available from the town of Mwinilunga. Potential tailings storage areas, waste disposal areas, heap leach pads and potential processing plant sites can only be identified after an EIA has been completed. Both these towns should also be able to supply most exploration requirements and comply with all sustenance supplies.

### **5.4.3.2 *Zambezi Project***

The projects are located nearby to Lusaka, the capital of Zambia. Although access to the regional area is regarded as good, no doubt most of the licences will have access issues resulting from limited on site infrastructure. Labour will be available from Lusaka. Potential tailings storage areas, waste disposal areas, heap leach pads and potential processing plant sites can only be identified after an EIA has been completed. Both these towns should also be able to supply most exploration requirements and comply with all sustenance supplies.

## 5.5 Site Infrastructure

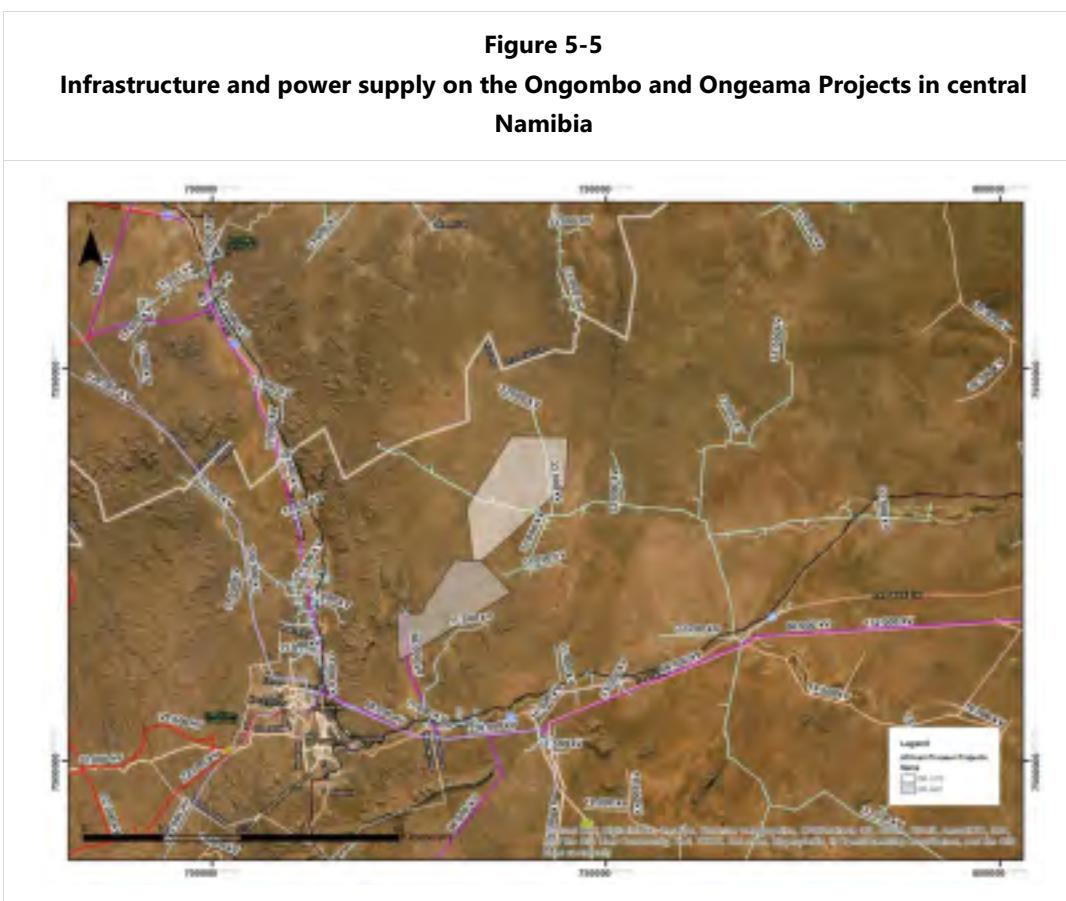
### 5.5.1 Namibian Projects

#### 5.5.1.1 Water

Potable water is supplied to Windhoek from the Namibia Water Corporation Ltd ("Namwater"), Namibia's parastatal water supplier. There are no water supply facilities within the project areas.

#### 5.5.1.2 Power

Both the project areas contain 33kV power lines from the Regional Energy distributor in Namibia (Figure 5-5).



**Source:** MSA (2021)

#### 5.5.1.3 Roads

As a whole the Ongombo and Ongeama projects are well serviced by a network of a combination of state-maintained gravel roads, unmaintained farming roads and tracks and local prospecting tracks. Most of these roads within the projects are not serviced, but due to the aridity of the region, remain in a relatively good condition, although some do require high clearance 4x4 vehicles for access.

#### 5.5.1.4 *Railway*

There is no rail infrastructure on site at the Projects, but the Windhoek Gobabis and Windhoek Okahandja railway lines are located 15 km south and 20-km west of the projects respectively.

## 5.5.2 Botswanan Projects: Subject to Conditional Botswana Licence Sale Agreement

### 5.5.2.1 Water

Although no investigation has been completed into groundwater (or nearby dammed surface water) supply on any of the licenses, the CP is of the opinion that water supply (with the necessary permits) for exploration needs will not be an issue.

### 5.5.2.2 *Power*

Botswana generates electricity through fossil fuel (coal) fired power stations which generates approximately half of the country's electricity consumption and is then distributed by Botswana Power Supply Corporation. Botswana is 100% dependant on fossil fuel electricity production (excess is imported). In Botswana, mainly due to a limited power supply network, most of the licenses within the western part of the country are not nearby (i.e. within 50 km) of main powerlines, whereas the two licenses in the east, are near to electricity grid lines from Botswana Power Supply Corporation (Figure 5-6).

**Figure 5-6**  
**Infrastructure and power supply on the Limpopo Projects in eastern Botswana**



**Source:** MSA (2021)

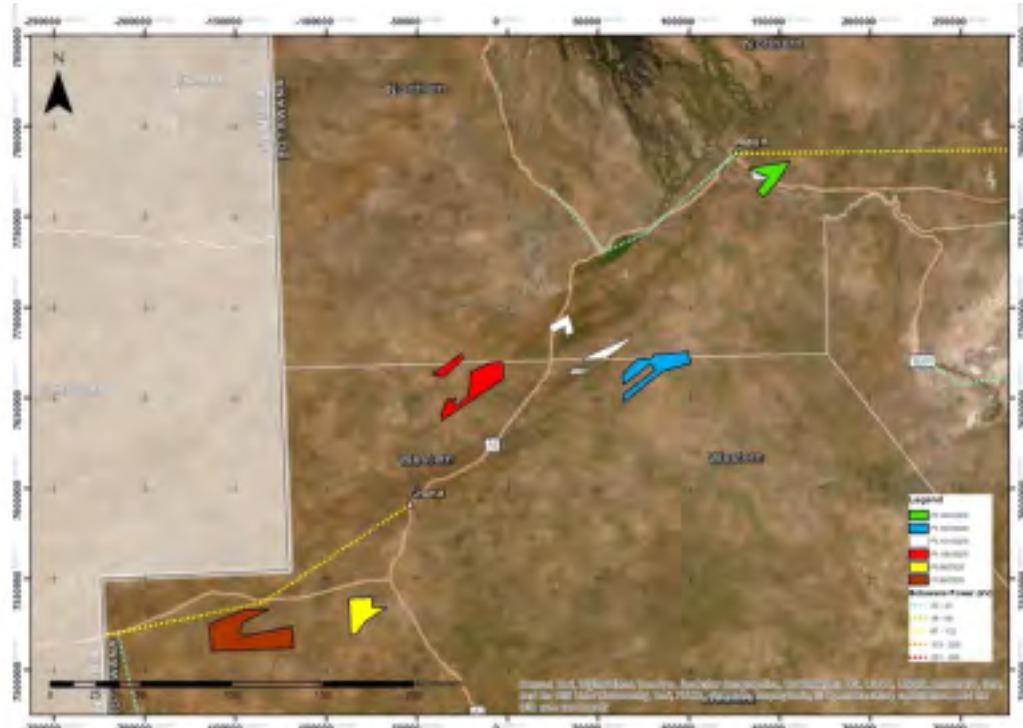
### 5.5.2.3 Roads

All projects in Botswana are located within 100 km of regional centers and nearby to existing major or minor roads. While access on each license may require 4x4 vehicles, getting to all licenses is regarded as straight forward (Figure 5-7).

### 5.5.2.4 Railway

While there are no nearby rail facilities to the Kalahari Project areas, the Limpopo projects are located within 40 km of the Francistown Gaborone railway line.

**Figure 5-7**  
**Infrastructure and power supply on the Kalahari Copperbelt Projects in western Botswana**



**Source:** MSA (2021)

### 5.5.3 Zambian Projects

#### 5.5.3.1 Water

Although no investigation has been completed into groundwater (or nearby dammed surface water) supply on any of the licenses, the CP is of the opinion that water supply (with the necessary permits) for exploration needs, will not be an issue.

### 5.5.3.2 Power

While there are no nearby powerline facilities to the Copperbelt projects, the Zambezi project's proximity to Lusaka, provides for an 88kV transmission line located just off the southwestern corner of the project area (Figure 5-8).

**Figure 5-8**  
**Infrastructure and power supply on the Zambezi Project in southern Zambia**



**Source:** MSA (2021)

### 5.5.3.3 Roads

All roads within project areas are regarded as minor to non-existing and access, especially within the rainy season will be challenging.

### 5.5.3.4 Railway

While there are no nearby railway line facilities to the Copperbelt projects, the Zambezi project's proximity to Lusaka, provides for the presence of the Lusaka railway head located 60 km from the western corner of the project area.

## 5.6 Operating Season

### 5.6.1 Namibian Operating Season

The Ongombo and Ongeama Projects can be operated year-round with no seasonal influences.



### 5.6.2 Botswanan Operating Season

The Kalahari and Limpopo Projects can be operated year-round with no seasonal influences.

### 5.6.3 Zambian Operating season

Although the Zambia Projects can be operated year round with minimal seasonal influences, the six month long rainy season (October to April) in the country may result in limited access to project areas, especially on the Central African Copperbelt Projects where access roads are minimal.

## 5.7 Resources

### 5.7.1 Namibian Resources

The Namibian economy contains a modern market and traditional subsistence sector, the former producing most of the country's wealth (Table 5-1). The gross domestic product ("GDP") per capita is relatively high among developing countries but obscures unequal income distributions. Whilst the majority of the population depends on subsistence agriculture and herding, Namibia has more than 200,000 skilled workers, as well as a small, well-trained professional and managerial class.

The GDP in Namibia was worth 10.27 billion US dollars in 2016. GDP in Namibia averaged 5.55 USD Billion from 1980 until 2016, reaching an all-time high of 13.02 USD Billion in 2012 and a record low of 1.62 USD Billion in 1985 (Rand Merchant Bank, 2018). Important mineral resources contributing to the GDP are diamonds, uranium (U), zinc (Zn), copper (Cu), lead (Pb), gold (Au), fluorspar (F) and salt (NaCl). The country also is a source of dimension stone such as granite and marble which is exported to Europe and other regions. Semi-precious stones are mined on a smaller scale mostly by local artisanal miners on mining claims (Rand Merchant Bank, 2018).

**Table 5-1**  
**Namibian GDP, exports and imports**

<b>Namibian GDP, exports and imports</b>		
Capital	Windhoek	
Business language	English	
Population (millions)	2.3	(41 out of 54)
GDP per capita (market prices)	US\$4,630	(8 out of 54)
RMB's Investment Attractiveness 2018	4.6	(20 out of 54)
GDP (purchasing power)	US\$26bn	(30 out of 54)
GDP (average annual growth 2018-2022)	4%	33 out
Primary export	Diamonds	(33 out of 54)
Primary export destination	South Africa	
Primary import	Machinery and equipment	
Primary import source	South Africa	
Operating environment (RMB score, 2018)	5.4	(7 out of 54)
Most problematic factor for doing business	Access to financing	

**Source:** Rand Merchant Bank (2018)



### 5.7.2 Botswanan Resources

Over the past five decades of political stability, good governance and robust economic growth as well as natural resource management helped to secure Botswana's economic development. It is regarded as an upper-middle income country, after being one of the poorest countries in Africa. The country's economy is one of the most robust on the continent, dominated by the discovery of mineral resources, specifically diamonds. Since its independence from Great Britain, it has maintained functioning democratic institutions, good governance with limited corruption, regular elections, and maintained one of the highest economic growth rates in the world (Rand Merchant Bank, 2018).

Not only does Botswana rank first in Africa (<https://www.fraserinstitute.org/sites/default/files/annual-survey-of-mining-companies-2018.pdf>) for investment attractiveness, it is also regarded as the leading country in Africa for policy perception in the minerals industry.

The minerals industry of Botswana has dominated the national economy since the 1970s. Diamonds have been the leading component of the mineral sector since large-scale production began in 1972. Copper, gold, nickel, and soda ash production have also held significant, though smaller, roles in the economy. Major mines and mineral projects include:

- Debswana - Jwaneng and Orapa diamond mines;
- Cupric Canyon Capital – Zone 5 copper mine;
- Sandfire Resources who acquired MOD Resources by a scheme of arrangements in October 2019 – T3 copper project;
- BCL Ltd Nickel and Tati Nickel (in liquidation); and
- Givani Metals Corp. – K Hill manganese project

### 5.7.3 Zambian Resources

Zambia's economy is heavily dependent on mining, in particular the mining of copper (Cu) and cobalt (Co). Reserves of Cu ore at some mines are almost depleted, costs of production have increased, and income has fluctuated depending on the price of the metal on the world market, accentuating the need for Zambia to broaden its economic base. Agriculture is relatively poorly developed, and major investment in the manufacturing industry did not take place until after independence. Out of a total of 7.5 million hectares of land, 4.2 million hectares (58%) are classified as medium to high potential for agricultural production; 12% is suitable for arable production, with only an estimated 14% currently cultivated (United Nations, 2015).

Some 67,300 km<sup>2</sup> of Zambia are classified as forest reserves, although the greater part of the country is wooded but not protected in this way. The main commercial timber areas are on the Copperbelt, where there have been plantings of exotic softwoods to supply the needs of the mining industry, and in the southwest, where there are extensive areas of Zambezi teak. Zambia has relatively rich fisheries based on its many lakes, swamps, and seasonally inundated floodplains. Of



particular importance is the Luapula valley, which supplies the Copperbelt. Lake Tanganyika is famous for Nile perch and kapenta, a deep-feeding freshwater sardine caught at night using special lamps to direct its movements. Lusaka is supplied mainly from the Kafue Flats and the Lukanga Swamp. Of lesser importance is the fishery on the upper Zambezi. There has been a revival of fishing on Lake Kariba, which was interrupted by the conflict with Zimbabwe during the 1970s (AQUASTAT Zambia, 2005; United Nations, 2015).

## 6 HISTORY

### 6.1 Previous Exploration

Exploration by previous license owners of the African Pioneer project areas, is discussed below.

#### 6.1.1 Namibian Projects History

##### 6.1.1.1 *Ongombo Project (EPL 5772) historical exploration*

**Table 6-1**  
**Previous exploration completed on the Ongombo Project**

Period	Company	Work Completed	Data Available
1971 - 1973	B&O Minerals	Geological mapping, soil and chip sampling, geophysical surveys, percussion and diamond drilling	Part of drilling data and assays available.
1975	JCI Ltd	Soil geochemistry, wagon and diamond drilling and geophysical surveys	Part of drilling data and assays available
1980 - 1986	Tsumeb Corp. Ltd	Geophysical and geochemical surveys and diamond drilling	Part of drilling data and assays available
1986 - 1994	Goldfields of Namibia Ltd	Geological mapping, geophysical surveys, diamond drilling and historical reserve estimate	Part of drilling data and assays available
2007 - 2015	Namibian Copper NL	Geophysical surveys, diamond drilling	All data available
2016 to 2019	Manmar Investments Pty Ltd	Diamond drilling	All data available

**Source:** Marlow (2007) and MSA (2021)

##### 6.1.1.1.1 B&O (1971 to 1973)

Exploration completed by B&O Minerals on the Ongombo Project (from 1971 to 1973) included soil sampling over a gossanous magnetite quartzite and geophysical surveys, the results of which prompted a wagon drilling programme. On the basis of the wagon drilling results, historical diamond holes OGB1 to OGB68 were drilled down dip from the gossan into the West Shoot (Figure 6-1). Although the results of the historical drilling included good copper results (2.53% Cu over 2.99 m) the results of this exploration prompted B&O Minerals to regard the Ongombo project to be sub-economic and of limited strike length.

The below intercepts and copper grades for boreholes OGB1 to OGB18 and OGB50 to OGB68 drilled on the West Shoot by B&O Minerals are from Marlow (2007) (Table 6-2). To date no assay data sheets or collar locations have been found for diamond drillholes OGB19 to OGB49.



**Table 6-2**  
**Historical results for B&O Minerals diamond drilling on the Ongombo Project**

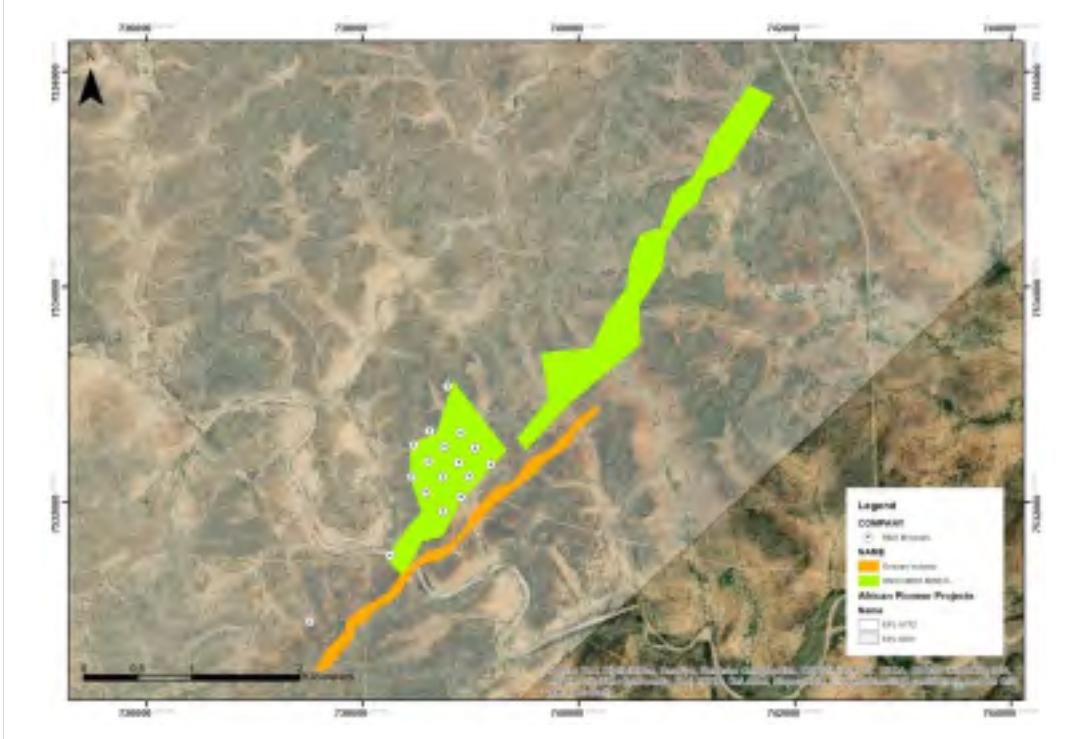
Hole No.	Thickness	Cu (%)	Zn (%)	Ag (ppm)	S.G.
OGB1	0.74	3.66	0.02	10.40	2.78
OGB2	2.99	2.53	0.04	10.40	3.02
OGB3	2.25	1.63	0.02	6.20	3.20
OGB4	0.92	1.72	0.08	9.30	2.92
OGB5	1.57	2.34	0.04	11.70	3.03
OGB6	0.69	0.55	0.03	6.10	2.72
OGB7	1.99	0.18	0.01	2.90	2.72
OGB9	0.17	0.66	0.05	11.00	2.38
OGB13	1.13	0.07	0.01	2.50	2.46
OGB14	1.13	0.12	0.04	2.20	2.58
OGB15	1.10	0.35	0.04	4.70	2.73
OGB16	1.60	0.11	0.02	1.80	2.65
OGB17	1.39	1.97	0.04	12.20	3.00
OGB18	1.00	1.22	0.01	5.20	2.79
OGB50	0.10	0.50	0.04	4.00	2.70
OGB51	1.19	1.35	0.04	5.60	2.83
OGB52	2.47	1.46	0.05	7.90	2.91
OGB53	1.13	0.88	0.11	7.90	2.95
OGB54	0.33	0.17	0.03	3.10	2.11
OGB55	0.83	0.47	0.12	9.10	2.89
OGB56	0.08	0.30	0.00	4.00	2.85
OGB57	1.69	0.44	0.02	4.10	3.81
OGB58	2.83	1.12	0.01	5.10	2.87
OGB59	1.30	0.54	0.02	4.60	2.72
OGB60	0.34	1.86	0.01	4.70	2.74
OGB61	0.77	0.29	0.02	3.90	2.80
OGB62	0.67	0.29	0.01	4.40	2.70
OGB63	2.33	0.04	0.03	1.80	2.70
OGB64	1.04	1.00	0.03	4.40	2.93
OGB65	1.81	1.01	0.04	5.50	2.89
OGB66	0.38	0.60	0.04	-	-
OGB67	1.17	0.67	0.04	6.20	-
OGB68	0.41	0.07	0.00	1.00	-

**Source:** Marlow (2007)

**Note:** <sup>1</sup> The CP of this report does not have details on SG determination procedures

**Figure 6-1**

**B&O Minerals diamond drill collars from historical datasets (note that to date no historical assay data sheets or collar locations have been found for diamond drillholes OGB19 to OGB49). The extent of known mineralisation is shown in the green polygons. Note the extent of EPL 5772 in the background.**



**Source:** Vendor

#### **6.1.1.1.2 Johannesburg Consolidated Investments (JCI) (1975)**

Although B&O Minerals completed a significant amount of work in the area, the main Ongombo project was discovered by JCI using airborne magnetic surveys that detected the gossanous magnetite quartzite, which outcrops over sporadic intervals. This airborne survey resulted in the identification of a number of well-defined magnetic anomalies. In 1975 a prospecting programme commenced which was aimed at defining the controls on the distribution of the ore-grade mineralisation. This programme included surface mapping, detailed examination of historical B&O Minerals diamond drill core, soil geochemistry and geophysics, as well as revision of previous data. Four additional drillholes (OGBX1, OGBX2, OGBX4 and OGBX6) were drilled on the West Shoot in order to obtain additional information on the geological setting and the geometry of the sulphide bodies at depth. The intercepts and copper grades for drillholes OGBX1 to 6 noted in Table 6-3 below, are from Marlow (2007). Although erratic exposure of the gossanous magnetite quartzite at Ongombo influenced the JCI soil geochemistry response, an almost continuous profile of metal distribution along strike indicated a strike length of approximately 5 km. Additional geophysical prospecting involved a ground magnetic survey and an EM survey. Marlow (2007) mentions that the magnetic data are erratic but the EM survey yielded more precise responses and indicated a moderate anomaly in the eastern part of the ore body. Although additional drilling was

recommended no further work was undertaken by JCI. The CP of this report does not have drillhole assay data or any of the historical work such as plans or geophysical survey data completed in the 1970's and all information is derived from Marlow (2007).

**Table 6-3**  
**JCI drilling results on the Ongombo Project**

Hole No.	Thickness	Cu (%)	Zn (%)	Ag (ppm)
OGBX1	0.49	2.79	0.08	-
OGBX2	0.14	1.37	0.09	-
OGBX4	0.84	0.70	0.05	-
OGBX6	0.72	0.64	0.07	-

**Source:** Marlow (2007)

#### **6.1.1.1.3 Tsumeb Corporation Ltd (TCL) (1980-1987)**

TCL investigated the Ongombo project between 1980 and 1987 and conducted soil and stream sediment sampling as well as an EM survey, which outlined three conductors extending down-plunge from the gossan. In 1983 diamond drilling of holes OGB70 to OGB78 defined the Central Shoot and drill holes OGB101 to OGB109 defined the East/Ost Shoot (Figure 6-2). The intercepts and copper grades for these drillholes are from Marlow (2007) and are noted in Table 6-4 and Table 6-5 below. The CP of this report does not have any of the drillhole assay data or any of the historical work such as plans or geophysical survey data completed by TCL.

**Table 6-4**  
**TCL Central Shoot drilling assay data**

Hole No.	Thickness	Cu (%)	Zn (%)	Ag (ppm)
OGB70	0.84	1.76	<0.10	1.36
OGB70B	0.86	1.17	0.00	1.45
OGB71	3.23	1.60	<0.10	2.35
OGB71B	3.07	0.87	<0.10	0.90
OGB72	Barren	Barren	Barren	Barren
OGB73	2.73	1.89	0.00	3.54
OGB73A	2.67	1.63	0.00	1.20
OGB74A	1.92	1.90	0.00	1.38
OGB74B	1.95	1.96	0.00	0.72
OGB75A	1.32	4.22	<0.10	10.22
OGB75B	1.20	5.33	<0.10	14.86
OGB76A	1.10	2.34	0.13	7.20
OGB76B	0.82	2.28	0.10	7.14
OGB771	0.94	1.74	<0.10	3.78
OGB77B	0.79	1.96	<0.10	3.49



OGB78A	2.72	1.13	0.00	3.39
OGB78B	2.70	0.73	0.00	0.71

**Source:** Marlow (2007)

**Note:** <sup>1</sup> The CP of this report does not have details on SG determination procedures

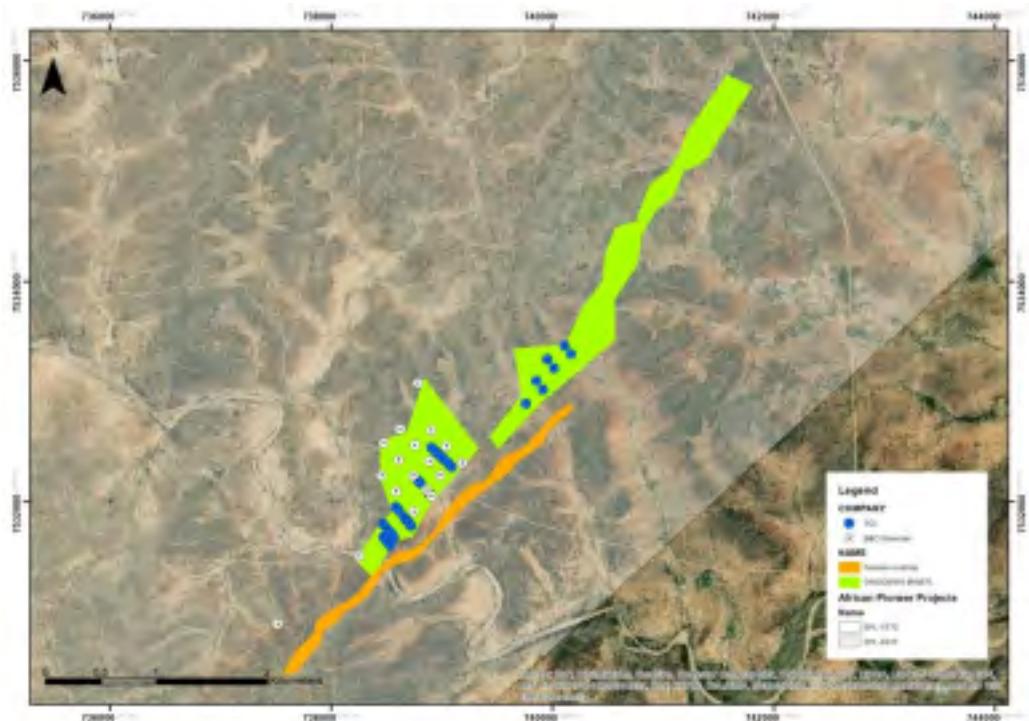
**Table 6-5**  
**TCL East/Ost Shoot assay drilling data**

Hole No.	Thickness	Cu (%)	Zn (%)	Ag (ppm)
OGB101	1.44	3.91	0.44	31.80
OGB101A	1.71	1.38	0.15	10.00
OGB102	1.39	0.86	0.10	5.10
OGB102A	1.31	0.60	<0.10	4.30
OGB103	0.22	1.23	0.13	9.50
OGB103A	0.04	1.80	0.20	13.00
OGB104A	0.72	5.86	0.83	45.50
OGB104A	0.76	3.21	1.14	28.10
OGB105	0.94	4.27	0.29	30.00
OGB106	1.80	1.62	0.10	13.10
OGB106A	1.82	2.08	0.11	17.10
OGB106B	1.79	1.51	<0.10	11.80
OGB107	0.15	1.30	0.30	11.00
OGB109	1.23	2.58	0.29	24.60

**Source:** Marlow (2007)

**Note:** <sup>1</sup> The CP of this report does not have details on SG determination procedures

**Figure 6-2**  
**TCL diamond drillcollars from historical datasets (also note the historical B&O Minerals drillholes). Note the extent of EPL 5772 in the background.**

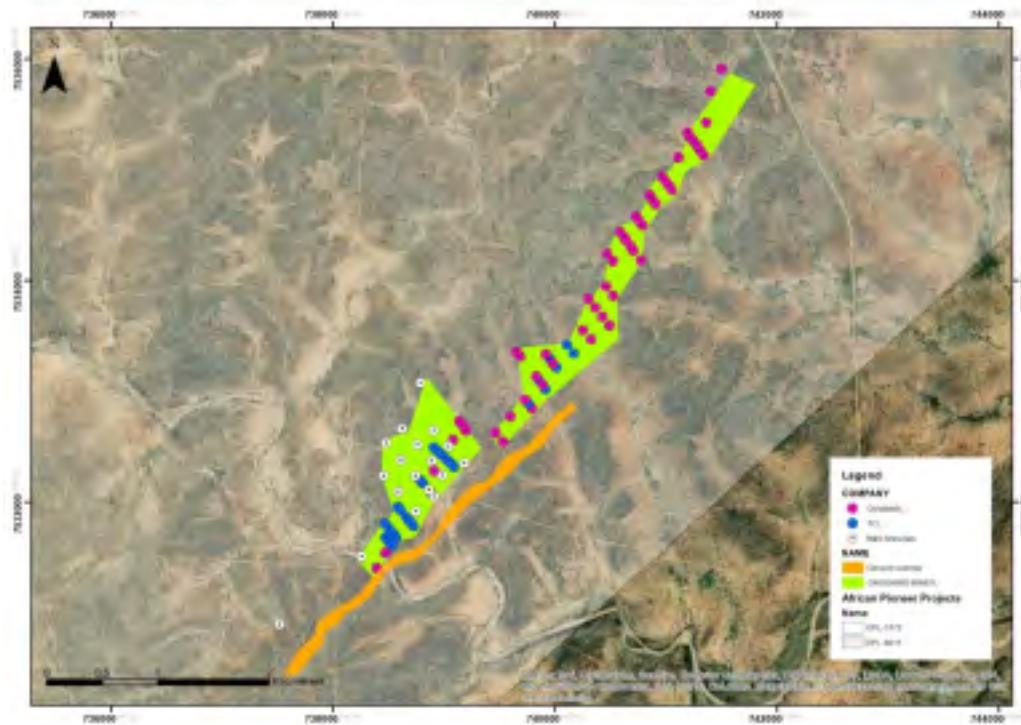


**Source:** Vendor

#### 6.1.1.4 Goldfields Namibia Ltd (GFN) (1986-1994)

GFN completed 33 diamond drillholes between 1988 and 1990. Nine holes were drilled on the Central Shoot (OGB94 & OGB127 to OGB133 & OGB 150), 12 holes on the East/Ost Shoot (OGB110 & OGB134 to OGB144) and 12 holes on the East/Ost Shoot (OGB145 to OGB149 & OGB151 to OGB155 & OGB157 & OGB158 (Marlow, 2007) (Figure 6-3). Most intersections of mineralisation within the Central Shoot and East/Ost Shoot were less than 2 m thick. All intersections less than 2 m thick on the Central and East/Ost Shoots were composited by GFN up to 2 m by addition of low grade or barren hanging wall schist to make up "mining grade". Between 1990 and 1991 further drilling was undertaken by GFN. Three holes were drilled in 1990 (OGB156, OGB159 and OGB160) for a total of 1,069 m including a non-directional deflection from each. A further 12 holes were drilled in 1991 (OGB161 to OGB172) for a total of 3,999 m, again including non-directional deflections from each hole (except OGB163 which was poorly mineralised). This programme was designed with the purpose of infill drilling. Ten holes were drilled on the East/Ost Shoot, and the other two (OGB161 and OGB163) were drilled on an EM target on the projected extension of the Central Shoot (Marlow, 2007).

**Figure 6-3**  
**GFN diamond drillcollars from historical datasets (also note the historical B&O Minerals and TCL drillholes). Note the extent of EPL 5772 in the background.**

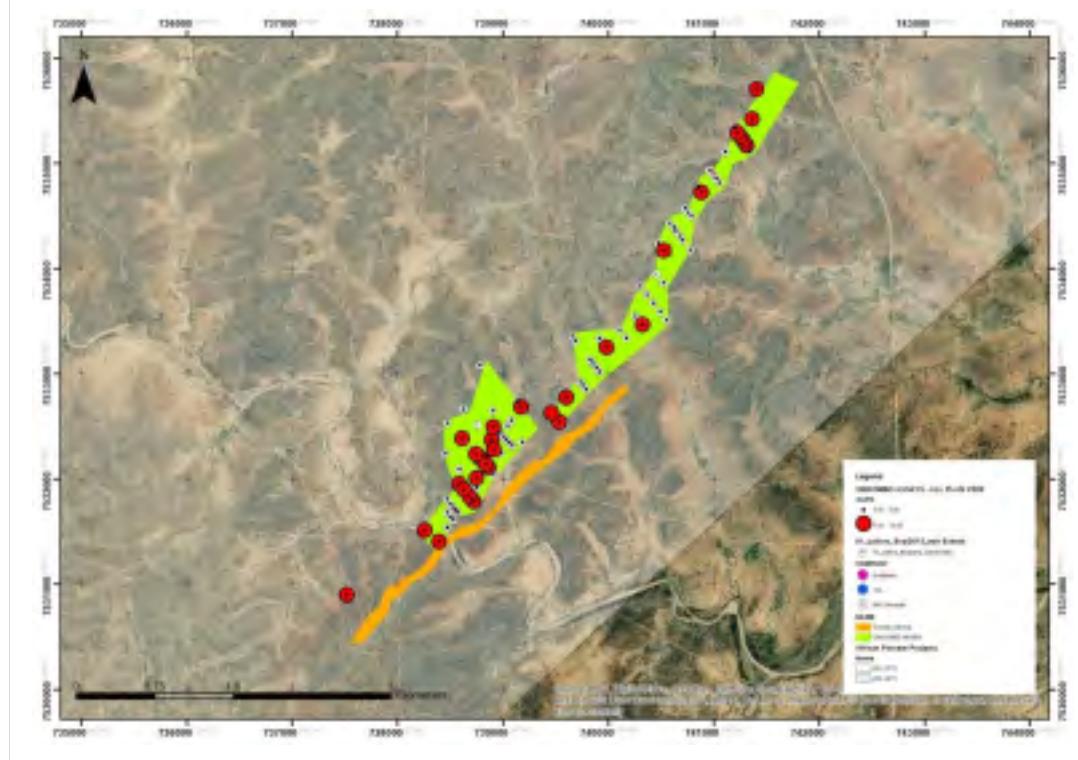


**Source:** Vendor

Figure 6-4 shows copper intercepts >5% Cu for historical holes drilled by B&O Minerals, TCL and GFN.

**Figure 6-4**

**Diamond drill collars from historical datasets (also note the historical B&O Minerals, TCL and GFN drillholes) showing the copper in drillhole intercepts >5% Cu. The East/Ost Shoot shows the highest number of high-grade intercepts. Note the extent of EPL 5772 in the background.**



**Source:** Vendor

#### **6.1.1.1.5 Namibian Copper Ltd (NCO) (2007 to 2015)**

Although a number of historical drillholes were drilled on the Ongombo Project, most of which intersected copper mineralisation, no detailed evaluation of the mineralisation had taken place up to NCO's involvement. Previous companies undertook basic non-JORC compliant reserve calculations, but no records exist of the methodologies and assumptions used in the estimations (Marlow, 2007). NCO therefore undertook a detailed study of the project which included:

- (2007 to 2010): EM geophysical surveys, two diamond drillholes drilled
- (2011): Review of geological data
- (2012): Resampling of 30 historical boreholes. Resurvey of historical drillhole collars, photographing of historical borehole core, an EM survey over the southern portion of the East/Ost Shoot
- (2013): MT survey
- (2014): 23 holes completed in November 2014 to verify historical drilling
- (2014) Exploration targets.

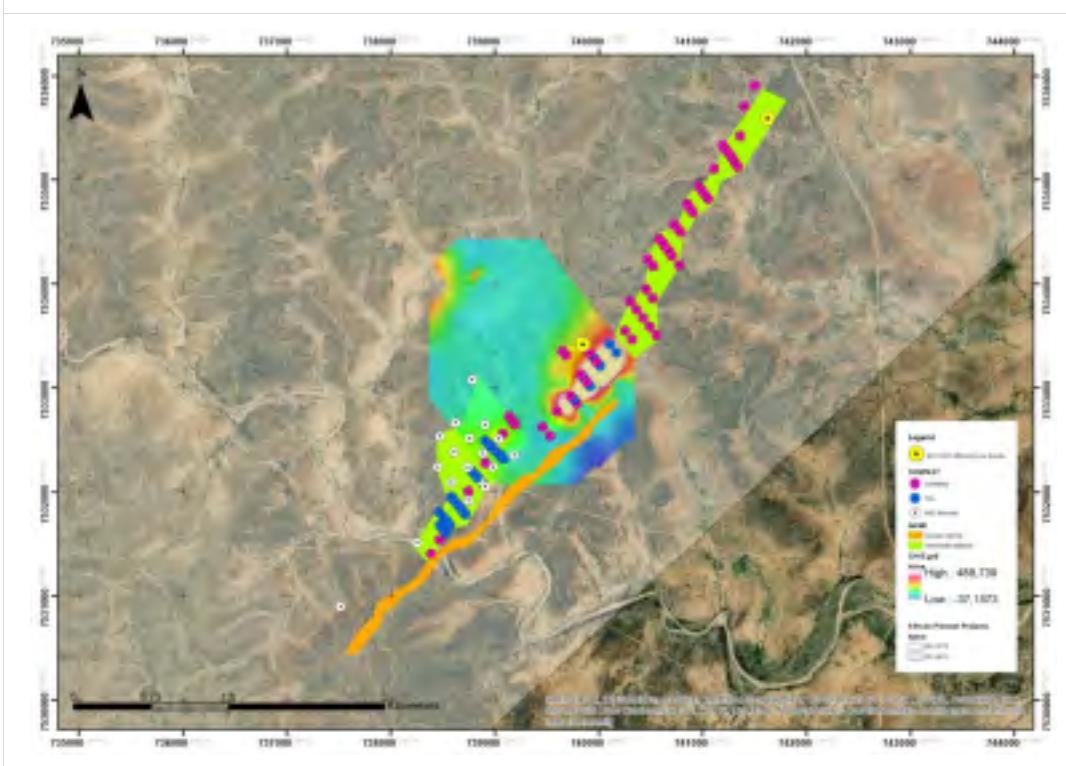
#### A. EM Geophysical Surveys and drilling

Previous investigations on the Ongombo Project successfully utilised both magnetic and electro-magnetic ("EM") surveys to identify magnetic anomalies and conductors, and ground electro-magnetic surveys penetrated effectively to around 500 m vertical depth. Although the East/Ost Shoot has historically been tested to a depth of 500 m, the Central Shoot has only been tested to a depth of around 300 m. Consequently, a ground EM survey was considered to be the most appropriate initial exploration tool to test the down plunge extension of the Central shoot. NCO initialised a ground EM survey over the Central Shoot which was undertaken by consultant Gregory Symons Geophysics and completed in September 2008.

Four large loops measuring 600 m by 800 m were surveyed on 200 m spaced lines and 50 m spaced stations. The results of the TDEM (time domain electro-magnetics) and NASMT (natural source audio magneto-tellurics) indicated a previously unknown shoot, termed the Far West Shoot, which correlates with a surface gossan. Based on the EM data work, NCO decided to drill two diamond drillholes (Figure 6-5) to verify mineralisation down-plunge of the historical East/Ost Shoots., which confirmed the presence of mineralisation down-dip of the East/Ost and Central Shoot. The drilling also confirmed the presence of mineralisation within the "inter-shoot zone" of the Central and East/Ost Shoots.

**Figure 6-5**

**Ground electromagnetic (EM) data completed for NCO showing all historical drilling as well as the two diamond holes drilled by NCO at the time**



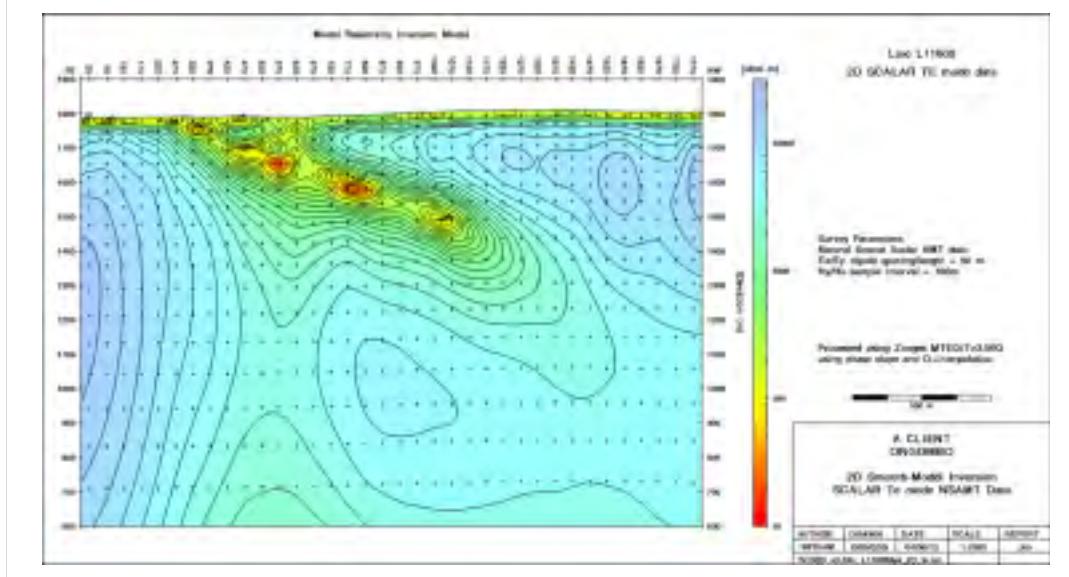
**Source:** Vendor

## B. MT survey (2013 and 2016)

The result of the previous TDEM and 2013 NASMT indicated a previously unknown shoot, termed the Far West Shoot located to the west of the central Shoot, which correlates with a surface gossan. Greg Symons of Gregory Symons Geophysics in Windhoek was commissioned to undertake a magnetotellurics geophysical programme over the Ongombo project. Magnetotellurics (MT) is a passive geophysical method which uses natural time variations of the Earth's magnetic and electric fields to measure the electrical resistivity of the sub-surface. Section 11600 below (Figure 6-6) indicates the presence of three distinct conductors. A strong shallow conductor intersecting the section at a depth of about 130 m is inferred to be the East/Ost Shoot; a further strong conductor intersecting the section at a depth of about 200 m is inferred to be the Central Shoot; and a weaker deep conductor intersecting the section at a depth of about 300 m is inferred to be the West Shoot.

**Figure 6-6**

**Section 11600 indicates the presence of 3 distinct conductors. A strong shallow conductor intersecting the section at a depth of about 130 m inferred to be the East/Ost shoot; a further strong conductor intersecting the section at a depth of about 200 m inferred to be the Central shoot; and a weaker deep conductor intersecting the section at a depth of about 300m inferred to be the West shoot.**

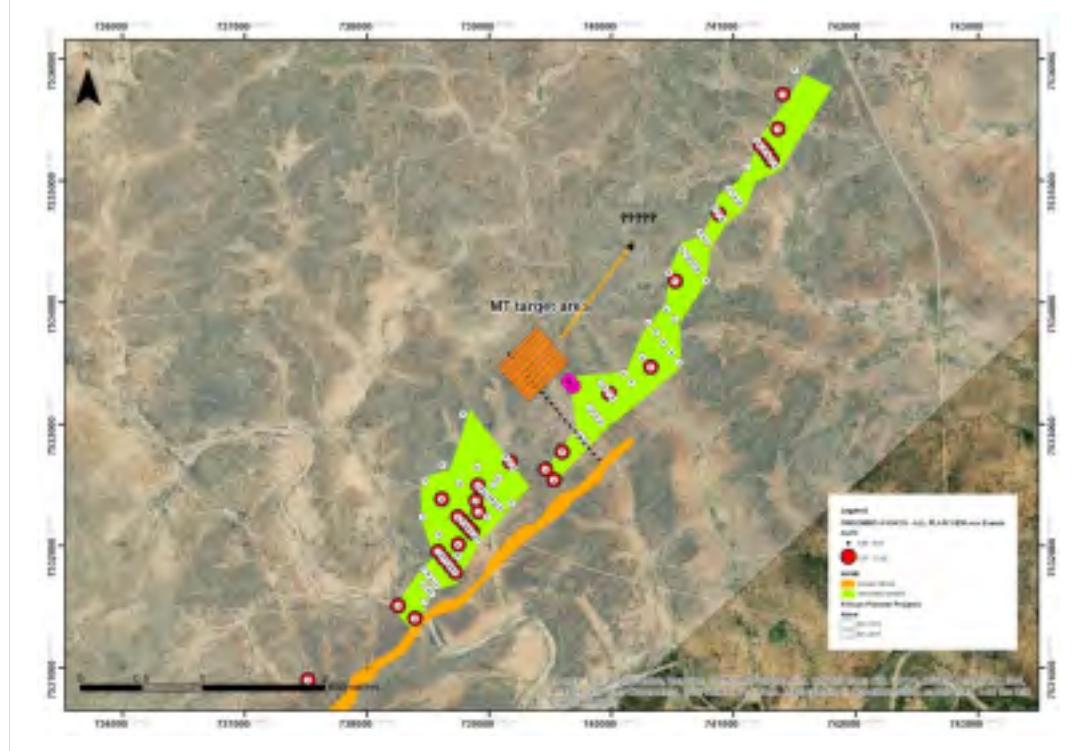


**Source:** Vendor

The data suggest that additional drilling is warranted to test north and south of holes 163 & 161 (shown in Figure 6-7 below). The West Shoot at 300 m depth is also a future target.

**Figure 6-7**

**Location of possible West and Far West shoots on the Ongombo Project showing target area as delineated by MT section north of holes 163 and 161 (marked by pink filled circles) and its possible strike extension towards the northeast. Also note historical diamond drill collars that show copper in drillhole intercepts >5% Cu Note the extent of EPL 5772 in the background.**



**Source:** Vendor

#### **C. Additional drilling**

Namibian Copper (NCO) completed twenty-three (23) additional diamond drillholes in November 2014 (Figure 6-8 and Table 6-6). Although the results of these drillholes are available to the CP of this report, NCO made use of Mass Spectrometry testing at an unknown laboratory and all copper assays higher than 1% are shown only as >1% Cu. The drilling was most likely completed only for the following outcomes:

- These holes were drilled to verify historical drilling results.
- Visual estimates of mineralisation are similar to historical intersections.
- Assay results are compatible with historical intersections.
- Drilling has confirmed the continuity of mineralisation in the Central Shoot.
- Extent of mineralised shoot extended by 400 m down-plunge.

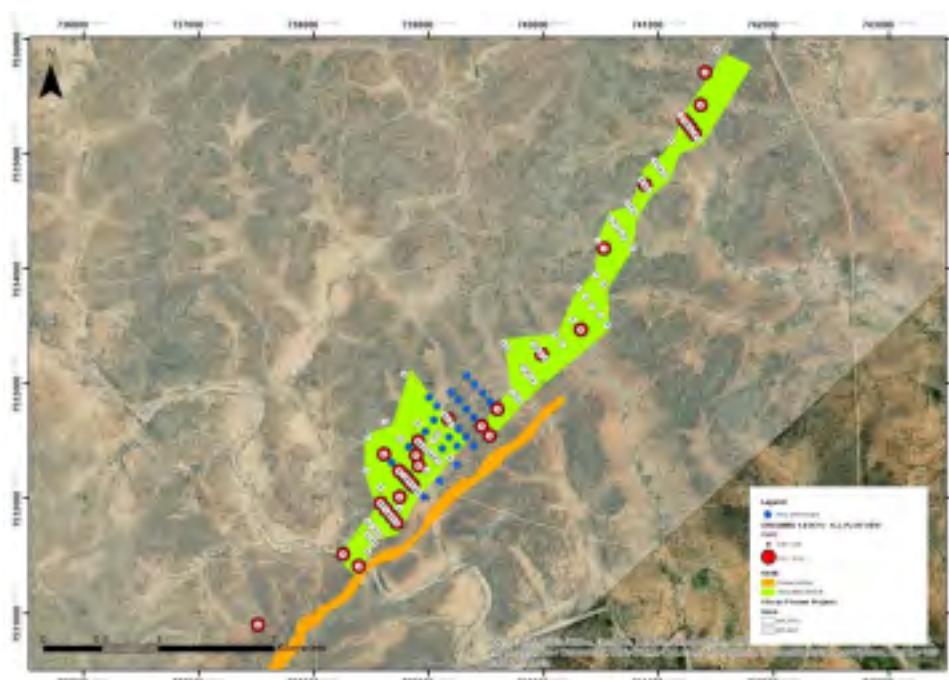


**Table 6-6**  
**Better intersections from the NCO drilling completed in 2014**

Hole No.	From (m)	To (m)	Cu (%)	Ag (g/t)	Au (g/t)
ONGD001	36	36.51	1.6	6.12	0.25
ONGD002	154.47	156.22	1.88	8.04	0.42
ONGD003	34.85	36.56	1.41	5.92	0.28
ONGD004	141.06	141.95	1.07	6.7	0.45
ONGD005	41.91	42.09	1.53	10.3	0.49
ONGD007	136.81	138.49	1.77	11.88	0.43
ONGD008	76.86	77.31	1.14	4.4	0.31
ONGD011	57.1	57.25	2.84	17.5	0.49
ONGD012	83.56	84.43	1.05	6.61	0.36
ONGD014	165.74	165.9	9.49	60.8	1.02
ONGD015	194.76	195.62	1.38	7.81	0.4
ONGD018	157.87	159.22	1.32	9.46	1.83
ONGD019	175.37	177.37	0.54	3.09	0.19
ONGD020	109.07	110.43	0.51	2.44	0.16
ONGD021	135.2	136.37	0.74	4.53	1.46
ONGD024	194.94	195.87	2.85	13.46	0.26

**Source:** Vendor

**Figure 6-8**  
**Additional NCO drilling completed in November 2014**



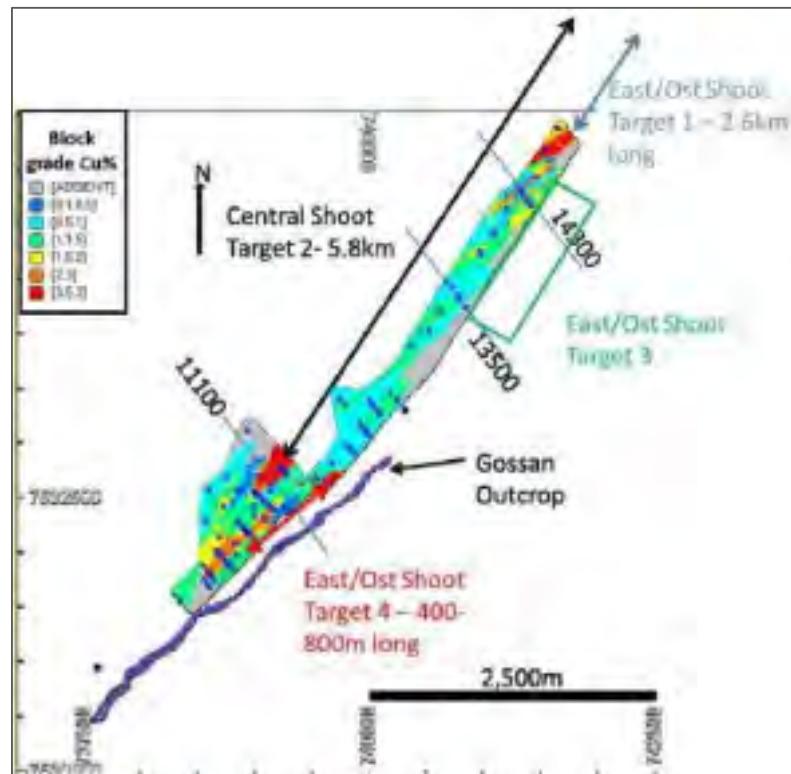
**Source:** Vendor

#### D. Exploration targets

One of the main characteristics of the northern Matchless Belt is that mineralisation developed in shoots of substantial length. The Otjihase mine neighbouring the Ongombo Project has mineral resources defined over a 9 km length and the deposit may extend further. The Matchless deposit to the southwest has shoots of several kilometres in length, also not fully evaluated. Evaluation of the geology and mineralisation at Ongombo suggest that this same characteristic is present and that drilling has not delineated the full extent of mineralisation. Additional potential lies in four areas as shown in Figure 6-9 (Marlow, 2007):

- Target 1 - The highest grades occur at the northernmost end of the East/Ost shoot. The strike length of the zone between is 2,600 m.
- Target 2 - The down plunge extension of the Central Shoot parallel to the East/Ost Shoot. The strike length of the zone is 5,800 m.
- Target 3 - The up-dip extension of historical mineralisation on the East/Ost Shoot.
- Target 4 - The zone between the Central Shoot and the East/Ost Shoot.

**Figure 6-9**  
**Plan view showing estimated distribution of copper grades at Ongombo and exploration targets**

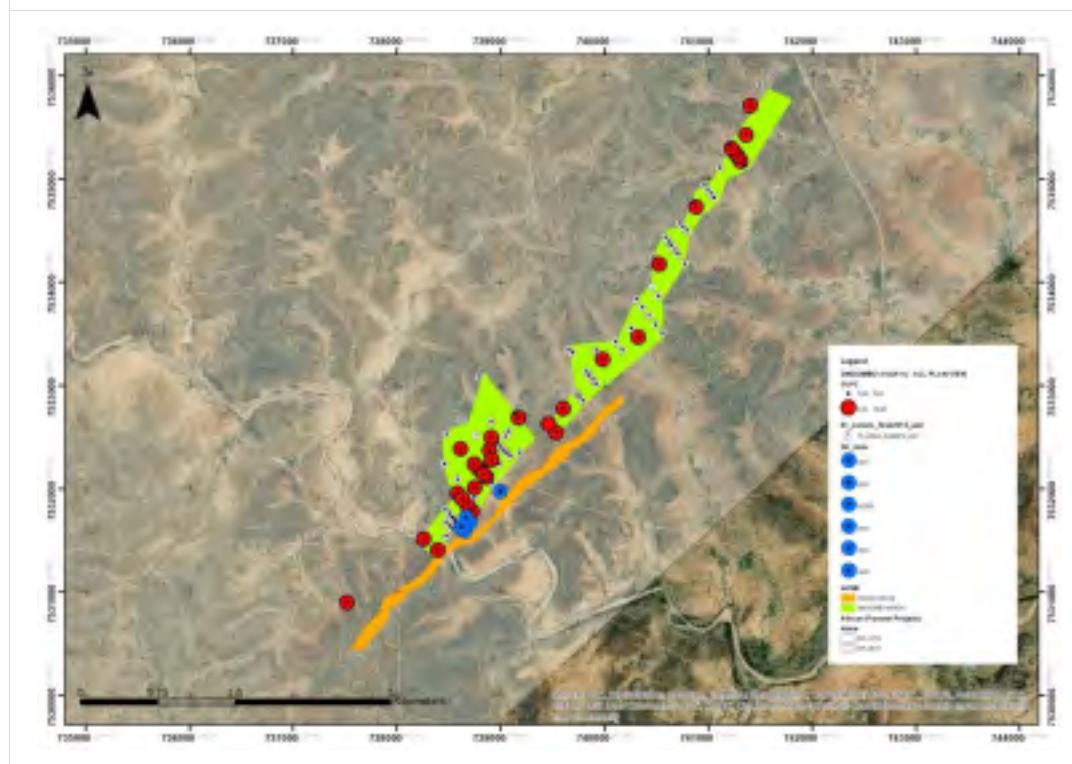


**Source:** Marlow (2007)

#### 6.1.1.6 Manmar Investments Pty Ltd

A six-hole diamond drilling programme was implemented to test the open pit potential of the Central Shoot at Ongombo in 2017 by Manmar Investments, the current EPL holder (Figure 6-10). A total of three fences were drilled over a strike length of 500 m of the gossan. The drilling indicates the Central Shoot thins up-dip in the area of the proposed open pit and that it is not a viable option. Five of the six holes intersected the sulphide ore zone. The dominant sulphide is pyrite with subordinate chalcopyrite. Maximum copper values reported by handheld XRF were 5.54% Cu.

**Figure 6-10**  
**Historical drill collars showing the copper in drillhole intercepts >5% Cu and the location of the six holes completed by Manmar Investments Pty Ltd**



**Source:** Vendor

#### 6.1.1.2 **Ongeama historical exploration**

The Ongeama prospect is located 10 km SSW from the Ongombo Project; 15 km from the Otjihase underground mine and is regarded as geologically similar to these copper occurrences. The Ongeama prospect contains surface outcrop of northeast-southwest trending gossanous pelitic schists over 1.2 km of strike length. The prospect was discovered in 1971 during the follow-up of an aeromagnetic anomaly and was systematically investigated between 1971 and 1977 (Table 6-7) (Schneider and Seeger, 1992).



**Table 6-7**  
**The Ongeama property has been historically explored by the companies indicated below**

<b>Period</b>	<b>Company</b>	<b>Work completed</b>	<b>Data available</b>
1975	JCI Ltd	Soil geochemistry, wagon and diamond drilling and geophysical surveys	No data
1980 - 1986	Tsumeb Corp. Ltd	Geophysical and geochemical surveys and diamond drilling	No data
2007 - 2008	NCO	No information	No data
2008 - 2010	Manmar Investments Pty Ltd	Rock chip sampling, geological mapping	Data available in quarterly reports

**Source:** Vendor

#### **6.1.1.2.1 JCI**

A 26-diamond drill hole programme completed by JCI demonstrated the Ongeama shoot extends down-plunge for a distance of 1,650 m, over a width of 150 to 250 m. The shoot averages 1.5 m in thickness and varies between 1.0 to 2.5 m, being thicker at its center and thinner at its margins. Similar to Ongombo, mineralisation is highly responsive to magnetic and EM geophysical survey methods. No further information is available to the CP of this report.

#### **6.1.1.2.2 Tsumeb Corp. Ltd (TCL)**

No information available to the CP of this report.

#### **6.1.1.2.3 NCO**

No information available to the CP of this report.

#### **6.1.1.2.4 Manmar Investments Pty Ltd**

##### ***A. Ground magnetic survey***

Peter Schreck of Geo Experts Consulting Services was commissioned to undertake a ground magnetic reconnaissance survey at Ongeama. The aim of the survey was three-fold:

- Determine if a signal could be obtained from the gossan and the underlying magnetic quartzite using a handheld proton magnetometer,
- Test a non-exposed, interpreted fault zone which divides the gossan into a southwestern outcropping zone and a northeastern outcropping zone and,
- To determine if there is a northeasterly extension to the gossan beyond the last outcrops adjacent to a fence line.

A strong magnetic signal was reported over three lines across known outcropping areas of the gossan indicating response from both the gossan and the underlying magnetite quartzite. A strong signal was also defined within the central non-exposed part of the gossan where previous explorers have inferred the presence of a fault. The presence of the strong signal at this location indicates minimal structural discontinuity associated with faulting within this non-exposed portion of the gossan.



A further signal was also defined over the northeastern extension of the gossan beyond the fence line. The signal may indicate that the gossan and underlying magnetite quartzite extend beyond the outcropping northeastern zone. However, similar signals were also encountered within the alluvial system directly to the south of this potential northeastern extension zone. These signals may be the result of magnetic material within the alluvial system and possibly unrelated to the gossan.

#### *B. Drilling programme*

A drilling programme at Ongeama has been undertaken to establish the down-dip extension of the gossan which is well exposed at the surface. Composite rock chip sampling of the gossan by Marlow (2007) indicates the surface gossan is enriched in gold and may have small-scale open pit potential. The additional aims of the drilling programme were to obtain gossan intercepts down-dip of the exposed gossan to determine gold grade down-dip and the potential gold recovery. A total of 14 holes were drilled including one twin (hole MA4B) on five fences over a strike length of 750 m.

#### *C. pXRF Results*

A handheld Niton XRF analyser has been used to determine the levels of Cu, Zn, S and Fe of the geochemical sample intervals. Analyses were typically taken at 2 or 4 cm intervals for two minutes. The highest-grade interval (0.06 m of semi-massive chalcopyrite and pyrite) in hole MA6 reported 2.75% Cu. The same sample reported the highest Zn grade of 2.06% Zn. Semi-massive pyrrhotite in MA6 reports 0.67% Cu. The best copper intercepts from holes MA4B and MA8 were 1.38% Cu, and 0.66% Cu, respectively.

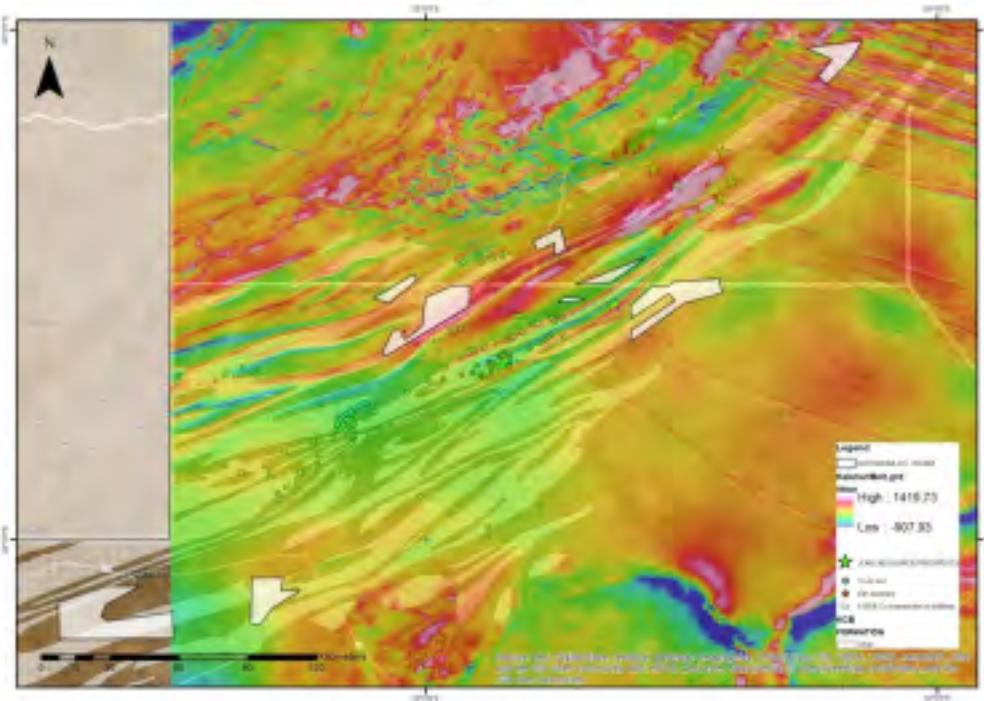
### **6.1.2 Botswana Projects: Subject to Conditional Botswana Licence Sale Agreement - History**

#### **6.1.2.1 *Kalahari Copperbelt historical exploration***

Although some of these licenses belonged to MOD Resources - date unknown - (who were acquired by Sandfire Resources by a scheme of arrangements in October 2019) and form part of the relinquished parts of PLs on renewal, no historical information completed by this company over the licenses could be located. Regional geophysical survey data is available and has been obtained (Figure 6-11). This magnetic data will assist in target area definition and a suitably experienced and qualified geophysicist should conduct such a target generation investigation.

Figure 6-11

Kalahari Copperbelt airborne magnetic data (TMI) also showing the location of the Kalahari Copperbelt Prospecting Licences (WGS84 Decimal degrees)

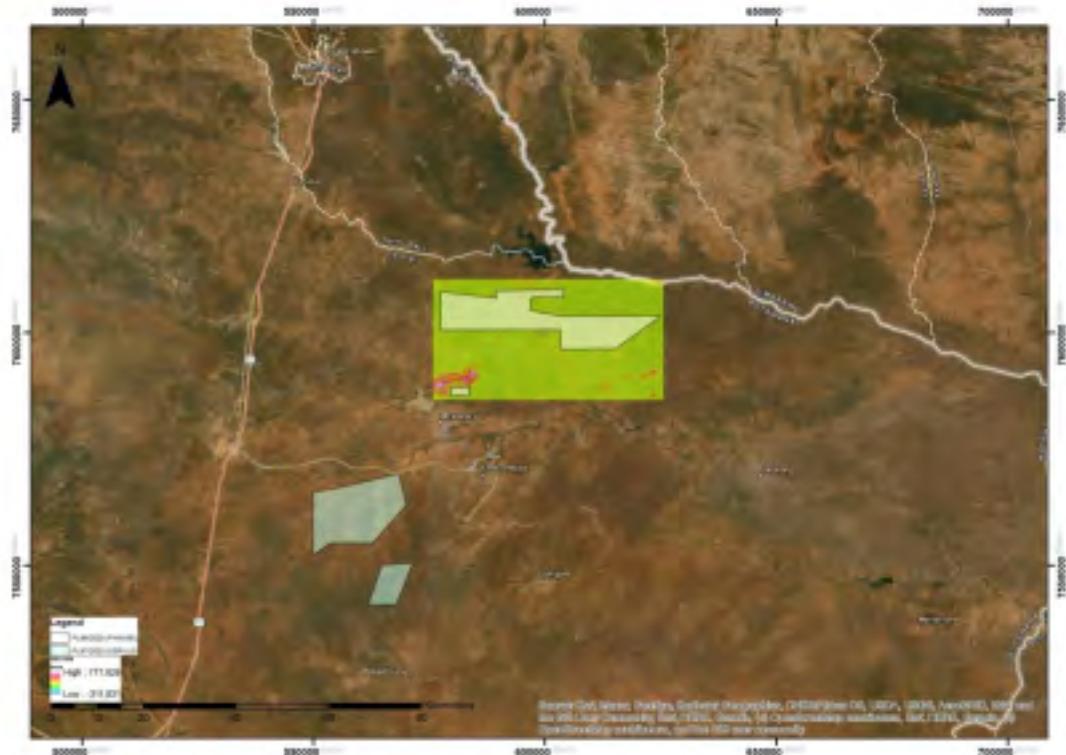


Source: Vendor

#### 6.1.2.2 Limpopo Belt historical exploration

Although PL 99/2020 formed part of the ASX listed Botswana Metals (now renamed as Six Sigma) land holding and are part of the relinquished (date unknown) sections of PLs (required to relinquish parts of PL on renewal), no historical information completed by this company over the licenses could be located. However, regional electromagnetic geophysical survey data is available and has been obtained but covers only PL 99/2020 (**Error! Reference source not found.**). An interpretation of this electromagnetic data will assist in target area definition and it is recommended that a suitably experienced and qualified geophysicist conduct such a target generation investigation.

**Figure 6-12**  
**Electromagnetic data covering part of the Limpopo Mobile Belt Projects in eastern Botswana**



**Source:** Vendor

### 6.1.3 Zambia Projects History

#### 6.1.3.1 *Central African Copperbelt Project historical exploration*

The area has seen several phases of exploration activity dating from the late 1920s (Table 6-8).

### 6.1.3.1.1 Luamata South (27771 HQ-LEL)

**Table 6-8**  
**Historical exploration on 27771 HQ-LEL (Luamata South)**

Period	Company	Work completed	Data available
1929 - 1940	<i>Rhodesia Congo Border Concession ("RCBC")</i>	Geological and prospecting work	None
1958 - 1961	<i>Mwinilunga Mines Limited ("RST")</i>	Geological mapping, soil and stream sediment surveys, geophysical surveys, pitting and diamond drilling	None
1970 and 2000	<i>Geological Survey of Zambia</i>	Geological mapping and airborne surveys	All from the Geological Survey
Late 1990s – early 2000s	<i>Equinox Resources Limited and ZamAnglo Exploration Limited</i>	Stream sediment sampling, geological and regolith mapping, airborne geophysical surveys, along with 46 shallow vertical Air Core and RAB drill holes	None
2016	<i>Shearzone Resources / MMG JV</i>	Airborne Geophysical Survey, soil and termite mound sampling, rock chip sampling	All data available

**Source:** Slowey (2020)

#### *A. Rhodesia Congo Border Concession*

The earliest recorded prospecting work is that of Rhodesia Congo Border Concession ("RCBC") between the period 1929 and 1940. They traversed at a quarter mile spacing carrying out geological and prospecting work. A number of mineral occurrences, including the Luamata prospect were discovered during this work programme (Slowey, 2020).

#### *B. Mwinilunga Mines Limited*

During 1958 and 1961, RST Mines Services ("RST") on behalf of Mwinilunga Mines Limited mapped both sides of the West Lunga River. The results indicated a series of shales, limestones and tillites folded along axes trending north to east. They also conducted regional scale soil and stream sediment sampling and geological mapping identifying copper anomalies which were later followed up by self- potential surveys, pitting and diamond drilling of two holes ML 88 & ML 98 (Figure 6-13) in 1960 and 1961 respectively. The two holes were drilled in the vicinity of copper and iron showings in pits near the center of the licence, and were drilled to approximately 250 m depth and angled towards the northwest. Both located narrow zones of copper mineralisation within a steeply dipping carbonate/shale sequence. ML 88 intercepted 1 m @ 0.7% Cu from 216 m depth in a pyritic

carbonaceous shale interval, while ML 98 intersected 1m @ 0.15% Cu from 69.6 m in a similar interval with disseminated pyrite and sparse chalcopyrite (Slowey, 2020).

**Figure 6-13**  
**Location of two historical diamond drillholes completed by *Mwinilunga Mines***



**Source:** Vendor

#### *C. Geological Survey of Zambia*

The area was geologically mapped at scale 1:100,000 by the Geological Survey of Zambia (GSZ) in two phases, in the early 1970s and early 2000s. Between 1967 and 1976 the government of Zambia flew airborne surveys covering most of Zambia that also covered the Luamata South area. The regional survey was flown at 800 m to 1,000 m line spacing with 150 m mean terrain clearance although no conclusions regarding this work are reported.

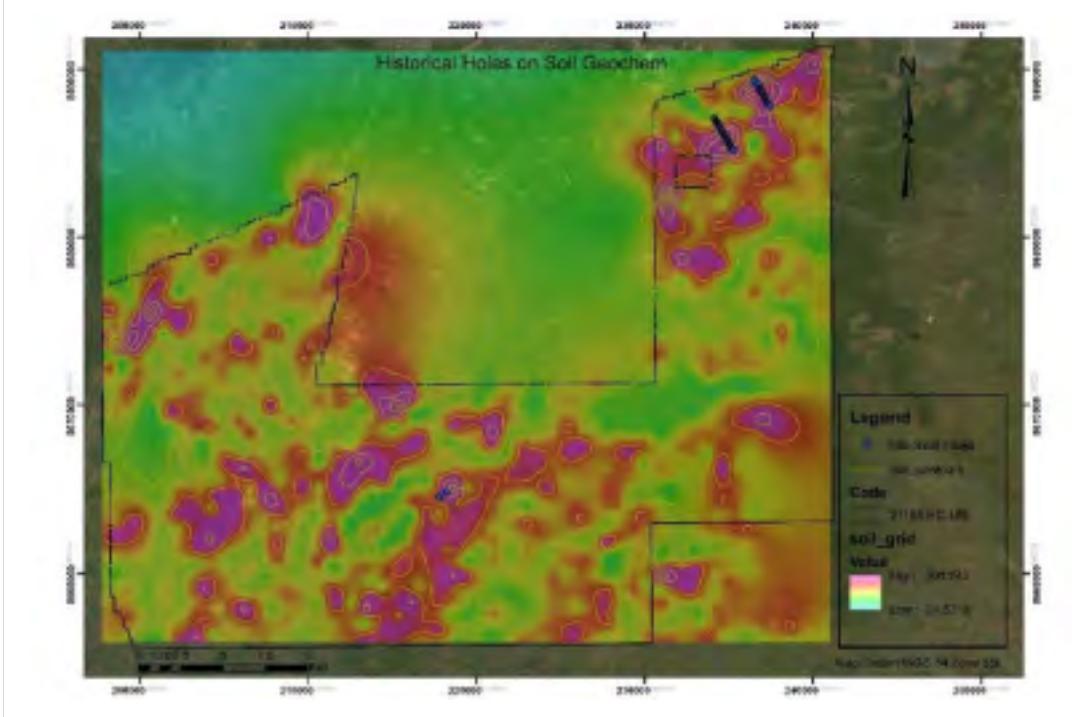
#### *D. Equinox Resources Limited and ZamAnglo Exploration Limited*

In the late 1990s to early 2000s Equinox Resources Limited and ZamAnglo Exploration Limited worked the area as part of their Zambezi JV on the Kabompo Licence. They followed up on historical RST prospects. Exploration work included stream sediment sampling, geological and regolith mapping, airborne geophysical surveys, along with 46 shallow vertical Aircore and RAB drill holes (Figure 6-14). The shallow drilling was carried out on two profiles across an extensive soil copper anomaly in the northeast of the permit (now designated by MMG as Anomaly H). Total meterage was 1,841 m, averaging 40 m per hole. There are no reports in the historic records to hand detailing the outcome or conclusions arising from this drilling. The hole locations were not plotted on any of the MMG maps although they are found in the historic database. The products of the historical



compilation work by MMG are the interpretative lithology and structural maps for the Kabompo licence. Anomalies in the Luamata area were considered to be associated with an ENE-trending thrust fault.

**Figure 6-14**  
**Location of the ZamAnglo RAB drillholes within the northeastern corner of Luamata South also showing the two diamond drillholes (ML 88 & ML 98) in the central part of the project completed by Mwinilunga Mines**



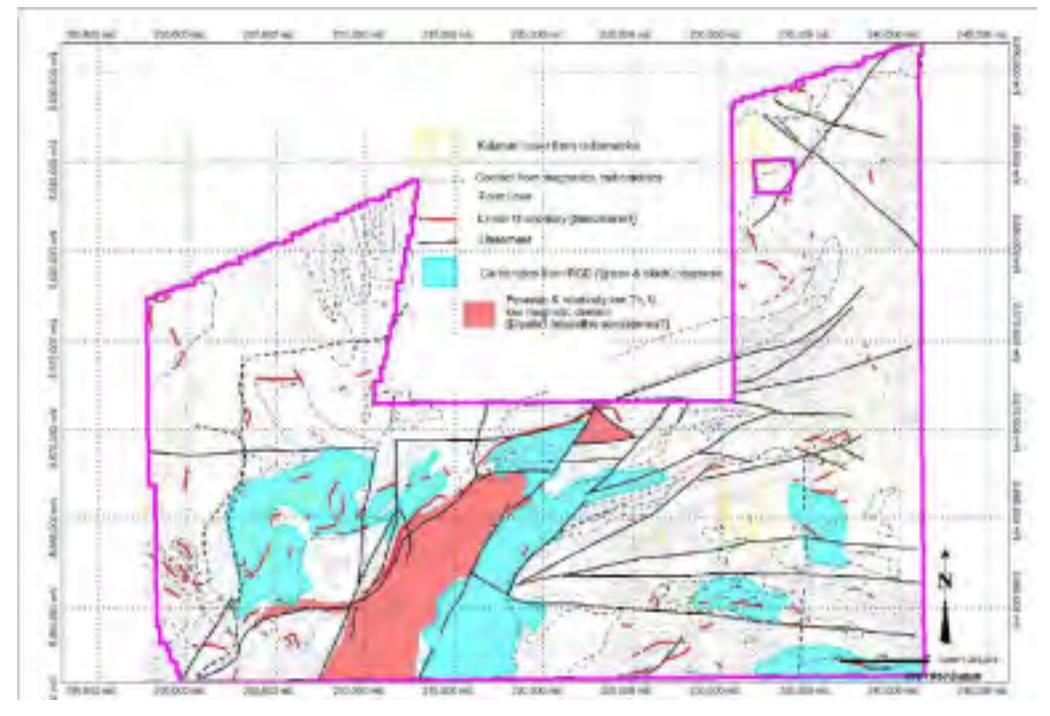
**Source:** Vendor

#### **E. Shearzone Resources (MMG JV)**

The licence area was subsequently taken up by Shearzone Resources in 2016 who later signed an agreement with MMG over the property. Xcalibur Airborne Geophysics was contracted to undertake an ultra-high resolution aeromagnetic and radiometric survey to cover the whole licence area. The survey was undertaken in July/August 2017 after all required permits had been obtained from authorising government departments. Approximately 22,295 line-km on north-south 50 m spaced lines were flown at a flight height of 35 m. Data collected included magnetic, radiometric and digital terrain model data (elevation).

A preliminary interpretation of the data was undertaken by MMG who summarized that the licence appears to encompass three main magnetic domains (Figure 6-15). There is a distinct northeast-southwest linear trend through the central part of the licence, with a near east-west dominant trend in the southeast quadrant, while the northwestern part of the licence shows broader magnetic highs with a clear north-south control and fold closures evident.

**Figure 6-15**  
**MMG airborne magnetic and radiometric data interpretation on Luamata South (Map is set in ARC1950 35S)**



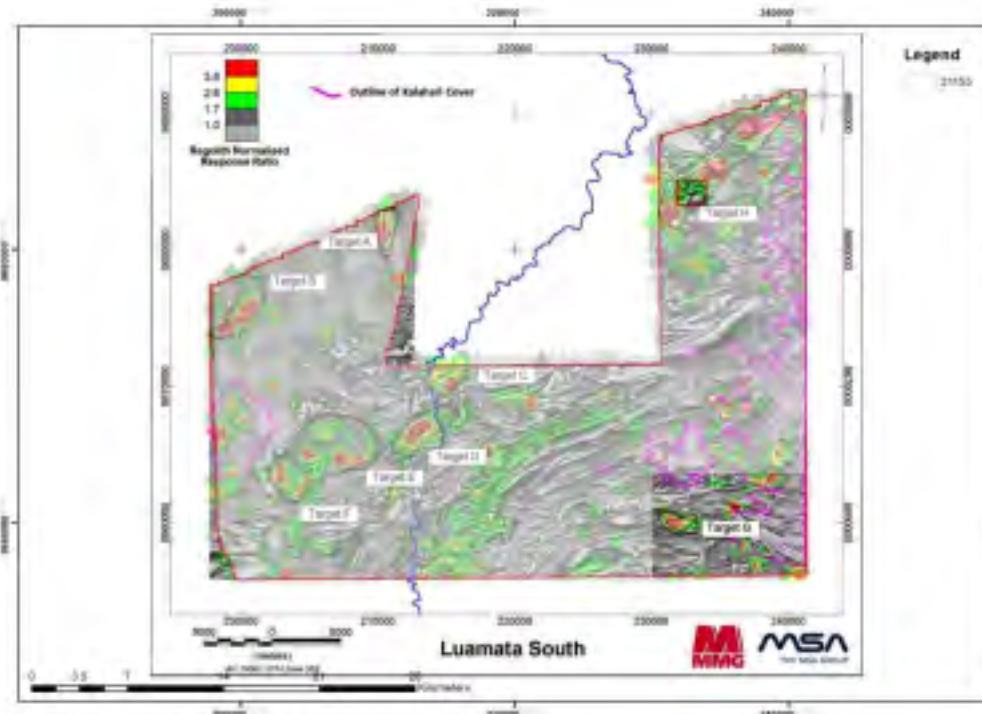
**Source:** Slowey (2020)

MMG appointed The MSA Group ("MSA") to manage and execute geochemical sampling and mapping of the Luamata South licence. The primary objective of the sampling programme was to identify anomalous copper and associated base metals in soils to generate priority targets for follow up work. A secondary rationale included lithogeochemical mapping, as well as to constrain the regolith domains of any high priority targets.

The targets generated by MSA were primarily based on geochemical interpretations, in conjunction with regional scale geological mapping and geophysical trends deduced from the magnetic and radiometric imagery (Figure 6-16 and Table 6-9) (these targets form the basis of the current work program on the African Pioneer Group licence as recommended by the CP). Many of the anomalies were characterised as broad zones with smaller anomalies within them. MSA concluded that a fundamental understanding of the geology at a target scale is required, in conjunction with a firm handle of the geophysical data in order to further the target generation on Luamata South.

Figure 6-16

Target areas delineated by MSA sampling over the MMG / Shearzone Luamata South prospect in northwestern Zambia. Note the boundary of the current PL 27771 HQ-LEL excludes all of Target G and part of Target H (Map is set in ARC1950 35S)



Source: Peters (2018)

Table 6-9

The MSA exploration programme identified eight targets for follow up. Targets E & F have been grouped together as they are anomalous zones within broader anomalies. Not all the anomalies are given a high priority, however they are ranked below.

Anomaly	Area (km <sup>2</sup> )	Cu Min (ppm)	Cu Max (ppm)	Multi-Element Support	Geology	Regolith Type	Magnetic/Radiometric response	Structure	Rank
Target H	11.4	68	484	Co (likely from mafics), Zn, Pb, Mo	Basalts, diamictite, shale, sandstone	Residual and transported	Magnetic high/Radiometric low with discrete zones of uranium, thorium and potassium rich zones	Thrust zone, broad syncline (regional map)	1
Target B	6	75	435	Co, Bi	Diamictite, sandstone, shale-siltstone and basalt	Residual with minor transported	Moderate to high magnetic response (compared to adjacent lithologies)/Uranium – (thorium)	Fold closure	2



Target	2.51	76	260	Pb	Shale	Residual	Magnetic high/thorium-(potassium)	Domain boundary (from magnetics)	3
Target D	7.91	69	205	As, Mo, Pb, Bi, Zn	Diamictite, shale, ironstone	Transported	Magnetic high/Uranium-thorium-(potassium)	Fold closure, faults	4
Target E+F	8.98	66	339	As, Bi	Diamictite, shale, ironstone	Residual and transported	Moderate to low magnetic response/thorium-uranium	-	5
Target C	4.91	70	279	Mo	Diamictite, shale, ironstone	Transported	Magnetic high/Uranium-thorium-(potassium)	-	6
Target G	3.3	74	202	Mo	Diamictite	Residual	Magnetic high/Uranium-thorium	-	8

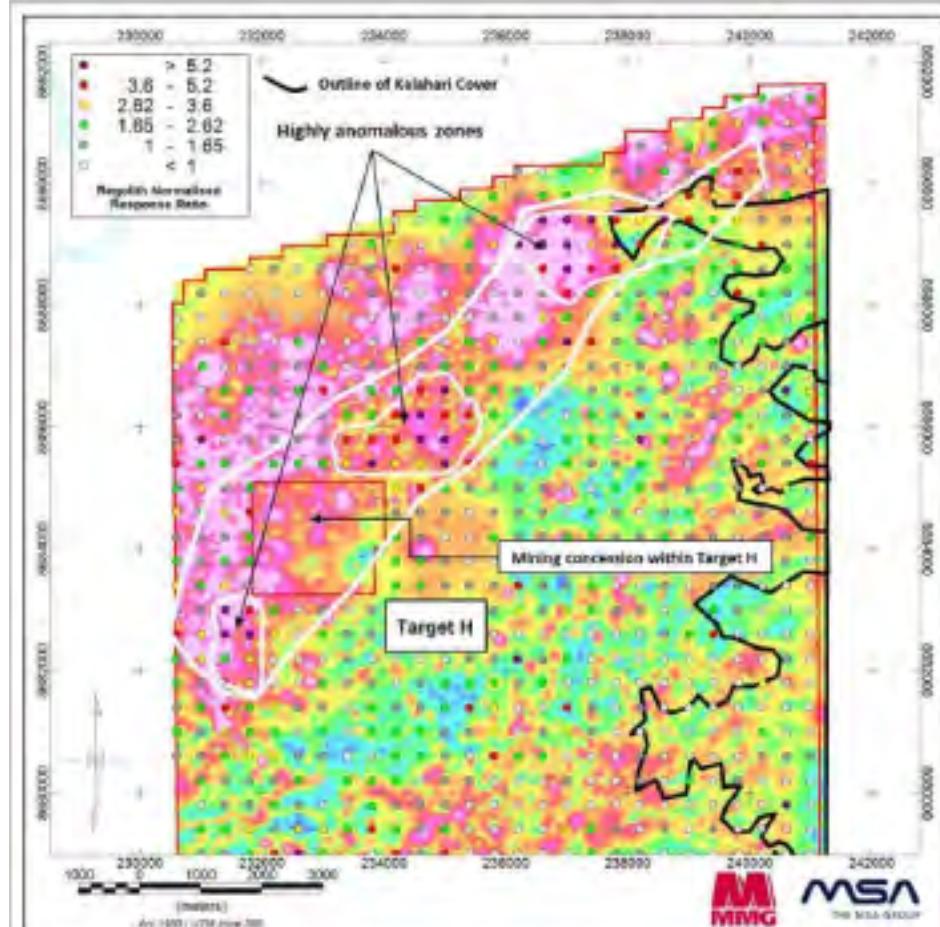
**Source:** Peters (2018)

Details on targets generated by MSA are found within Peters (2018) who concluded that target H (detailed below) is the most important target requiring follow up work on Luamata South (Figure 6-17).

**Target H:** This MSA target remains the highest priority target on the Luamata South license. This target contains elevated Zn-Pb-Mo anomalies associated with high Cu and is observed extending beneath Kalahari cover on its northeastern extent. It is situated around a small-scale copper mining concession within a structurally complex zone. MSA recommends the below follow up work on this target:

- A fieldtrip should be undertaken to assess known mineralisation within the small mining concession and the nearby Cu-Co mineral occurrences that occur outside the licence. This is aimed at further understanding local mineralisation controls.
- Concurrent infill soils and mapping programme should be done. Rock chip samples should be collected with the aim of reducing the issue of dispersion in soils. • Soils should be done at appropriate spacing (e.g. 200 x 200 m) to try vector towards a source of mineralisation.
- The output of this programme should be a conceptual model which can be tested by air core drilling.

**Figure 6-17**  
**Target H on Luamata south, highest priority target as defined by MSA(Map is set in  
ARC1950 35S)**



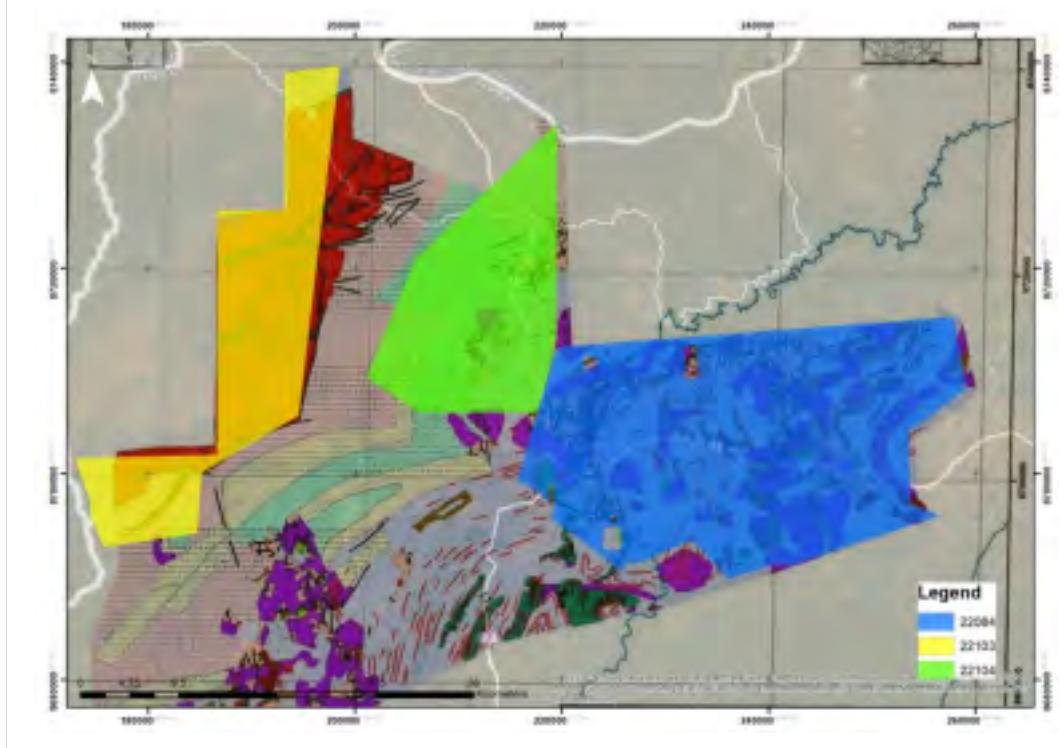
**Source:** Peters (2018)

MSA recommended that a conceptual model is defined, with clear objectives for field validation. Mapping and rock chip sampling should be done either concurrently to or preceding further geochemical sampling, in order to advance each target to being drill ready (Peters, 2018).

#### **6.1.3.1.2 Other Central African Copperbelt licenses historical exploration**

Licenses 27770, 27768 and 27767 all formed part of the Anglo American Zambia Ltd ("Anglo") Mwinilunga license package (Figure 6-18). Anglo completed a 200 m line spacing airborne radiometric and magnetic survey in as well as a regional soil survey in 2018 (the latter only on HQ-LEL 27770).

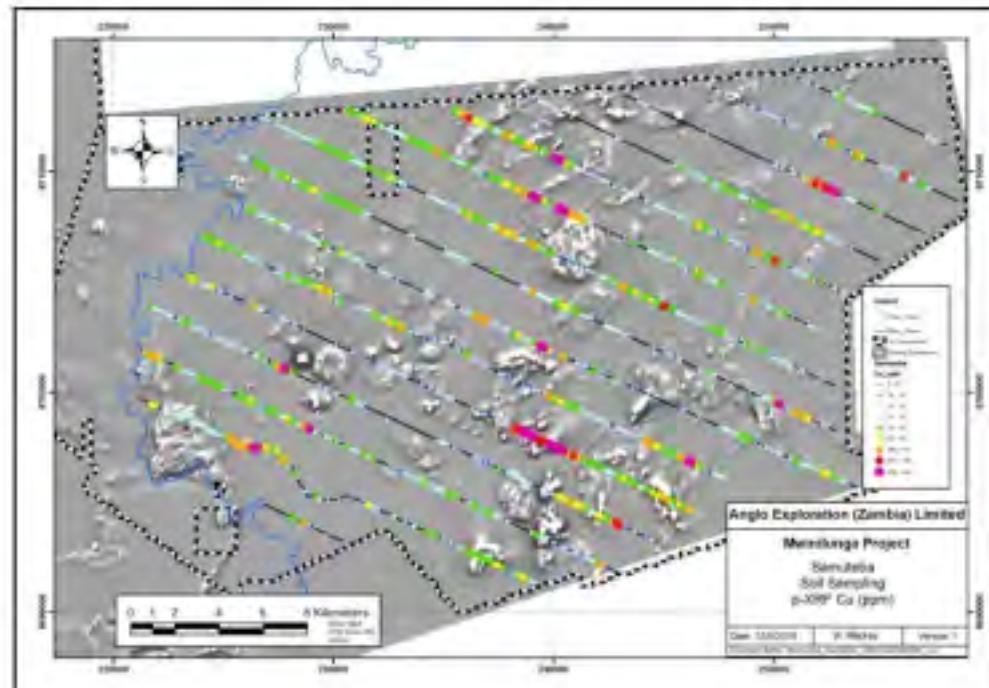
**Figure 6-18**  
**Regional geological setting of HQ-LEL licenses 27770, 27768 and 27767 as compiled by Anglo American Zambia Ltd. Note that from the geological mapping HQ-LEL 27768 is probably underlain by the Katangan volcanics and that HQ-LEL 27770 and 27767 are most probably of highest priority.**



#### A. HQ-LEL 27770

Of the three additional African Pioneer licenses within the African Copperbelt project area, only HQ-LEL 27770 received more detailed ground surveys which included soil geochemical surveys (Figure 6-19). The licence was one of several licences in the region explored up to 2019 by Anglo in joint venture with Chilibwe Mining. The regional geological map shows the area as being underlain primarily by Middle Nguba & Kundelungu Group rocks, perhaps overlying the Roan Group, with some Kalahari sand cover. However, the area has been somewhat neglected and no recent mapping work is known. There is currently no information on any exploration carried out prior to Anglo's work and no mineral occurrences are recorded. Anglo undertook regional reconnaissance exploration in 2018 comprising soil sampling and airborne magnetic/radiometric surveying. However, planned follow up work on the ground was not carried out before the company withdrew from all exploration in Zambia. The planned programme was due to include infill soil sampling, air core drilling and diamond core drilling (Anglo, 2019).

**Figure 6-19**  
**Copper in soil anomalies (pXRF) overlain on airborne magnetic data on HQ-LEL 27770**



**Source:** Anglo (2019)

#### **B. HQ-LEL 27768**

The only work that has been done in this area is airborne magnetic survey. The license 27768-HQ-LEL had no work done in 2018; this was due to target areas having no access roads (Anglo, 2019).

#### **C. HQ-LEL 27767**

There was no work done within these areas except airborne magnetic survey. This was because of a Forestry Permit that was not granted to Anglo (Anglo, 2019).

#### **6.1.3.2 Zambezi Project historical exploration**

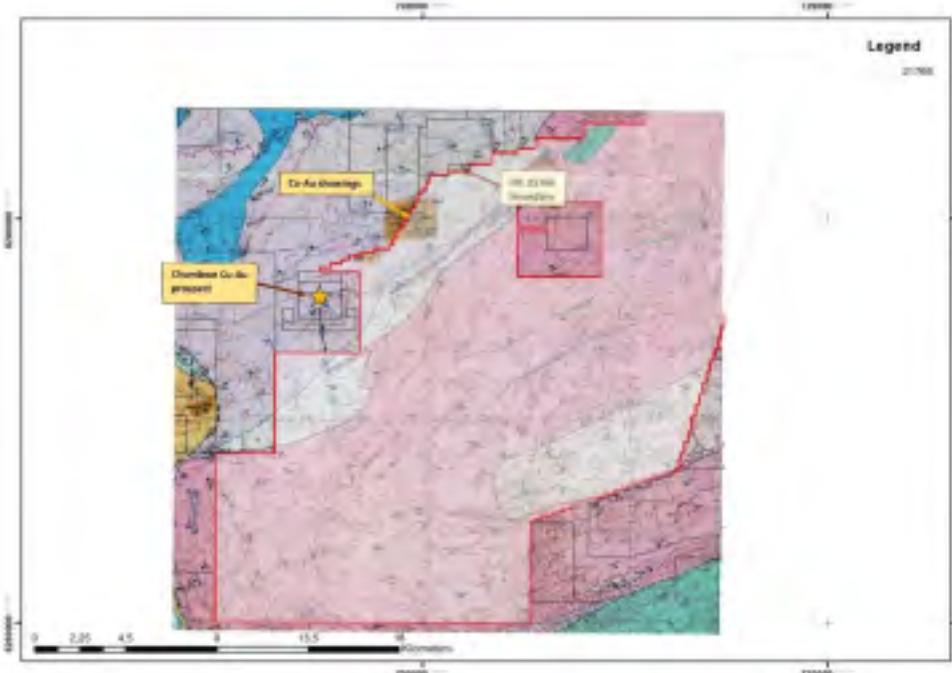
Historical exploration on the Zambezi licenses was completed by Zambezi Resources (2004 to 2006) who investigated the Chumbwe copper-gold prospect located on the western boundary of HQ-LEL 27769.

Although no historical work has to date been located on the current HQ-LEL 27769, Zambezi Resources Ltd investigated the regional area with rock chip sampling, soil sampling and 45 RC holes for 4,728 m and three diamond holes (Figure 6-20). Best results from the Chumbwe gold project include:

- 7m @ 5.20g/t Au
- 2m @ 53.8g/t Au
- 3m @ 3.55 g/t Au
- 3m @ 1.91g/t Au

Regional work included 1 km spaced soil geochemistry lines and a heli-mag survey (specifications unknown). These surveys most likely covered the current HQ-LEL 27769, but details of these surveys are yet to be located by the CP of this report.

**Figure 6-20**  
**Historical exploration on the Zambezi licences was completed by Zambezi Resources**  
**who investigated the Chumbwe Cu-Au prospect locally on the western boundary of HQ-**  
**LEL 27769**



**Source:** Zambezi Resources (2006)

## 6.2 Historical Mineral Resources and Reserves

### 6.2.1 Namibian Projects

#### 6.2.1.1 Ongombo

No current JORC 2012 compliant Mineral Resource exists for Ongombo.



#### **6.2.1.2 *Ongeama***

No current JORC 2012 compliant Mineral Resource exists for Ongeama.

#### **6.2.2 *Botswanan Projects: Subject to Conditional Botswana Licence Sale Agreement***

No historical mineral resources or reserves have been estimated for the licenses in Botswana.

#### **6.2.3 *Zambian Projects***

No historical mineral resources or reserves have been estimated for the licenses in Zambia.

### **6.3 *Production***

No historical production data is available for any of the African Pioneer projects in Namibia, Botswana or Zambia.

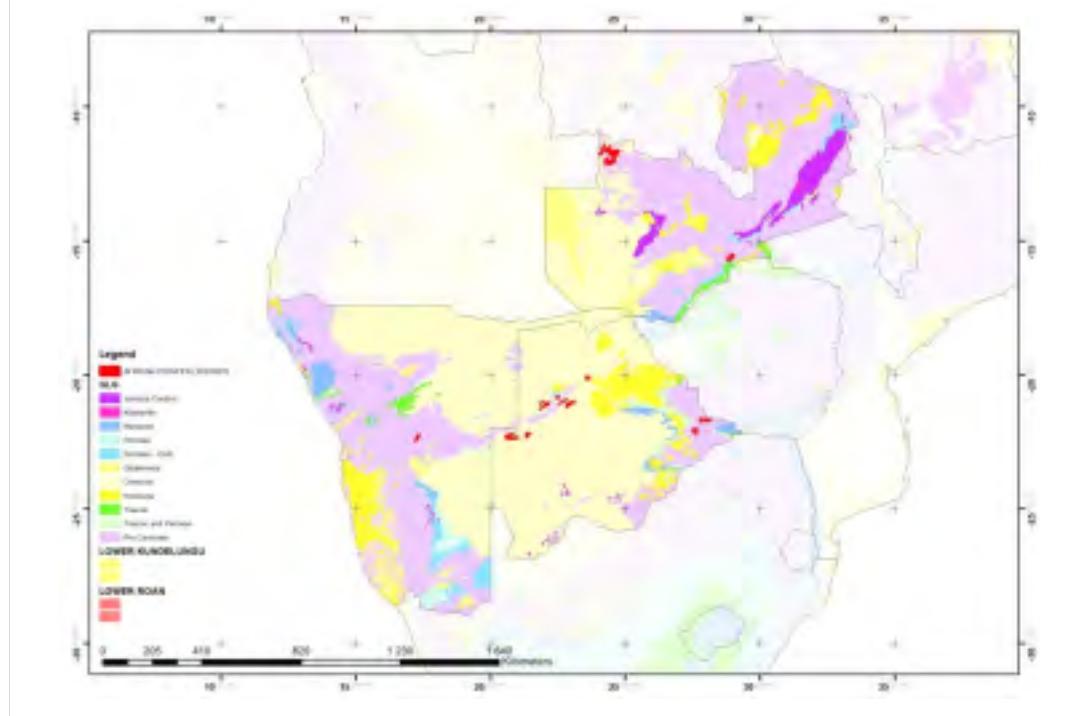
## 7 GEOLOGICAL SETTING AND MINERALISATION

## 7.1 Overview

The geological history of southern Africa extends back to 3650 Ma with the majority of the lithological record formed in the Precambrian period (>545 Ma). This history is described chronologically as a series of events starting with the formation of the Kaapvaal Craton in the Mesoarchaean and ending with the formation of a series of Mesozoic basins between 135 and 115 Ma during the break-up of Gondwana. The tropical climate of the Cretaceous period facilitated deep weathering and rapid erosion, with the bulk of eroded sediments deposited on the continental shelf. The Cenozoic was characterised by tectonic uplift and a cooling climate which controlled the processes responsible for shaping southern Africa's current topography. The geologic history of southern Africa is reflected in present-day patterns of landforms, soils and ecosystems, which have affected resource availability and thus patterns of human activity.

The regional geology of Namibia, Botswana and Zambia in the context of southern Africa is shown in Figure 7-1.

**Figure 7-1**  
**Regional geology of the African Pioneer projects in the Republics of Namibia, Botswana and Zambia (WGS84, decimal degrees)**

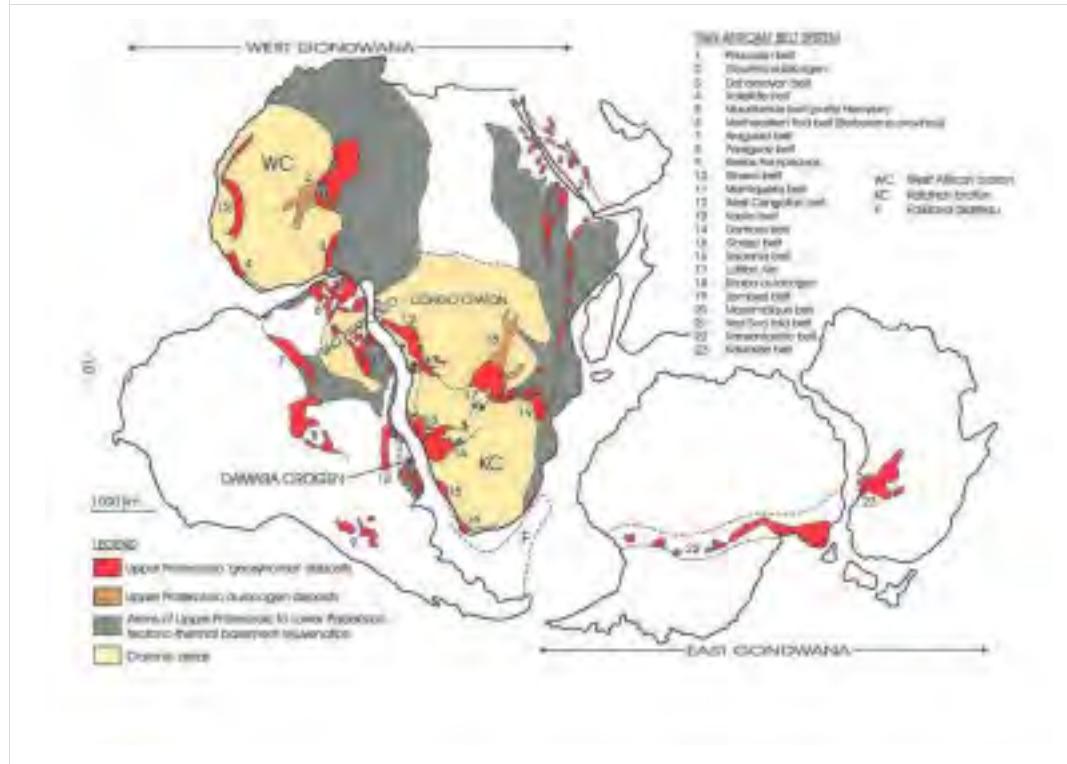


**Source:** MSA (2021)

The African Pioneer Projects in Southern Africa are associated with the following geological belts (Figure 7-2):

- The Pan African Damara Belt (Namibian Matchless - and Botswanan Kalahari Copperbelt Projects)
- Zambezi Belt (Zambian Project)
- The Pan African Lufilian Arc (Zambian Copperbelt Projects)
- Limpopo Belt (Botswana Projects)

**Figure 7-2**  
**Pan African Belt systems in Gondwanaland**



**Source:** Viljoen (2005)

## 7.2 Local Geological Setting

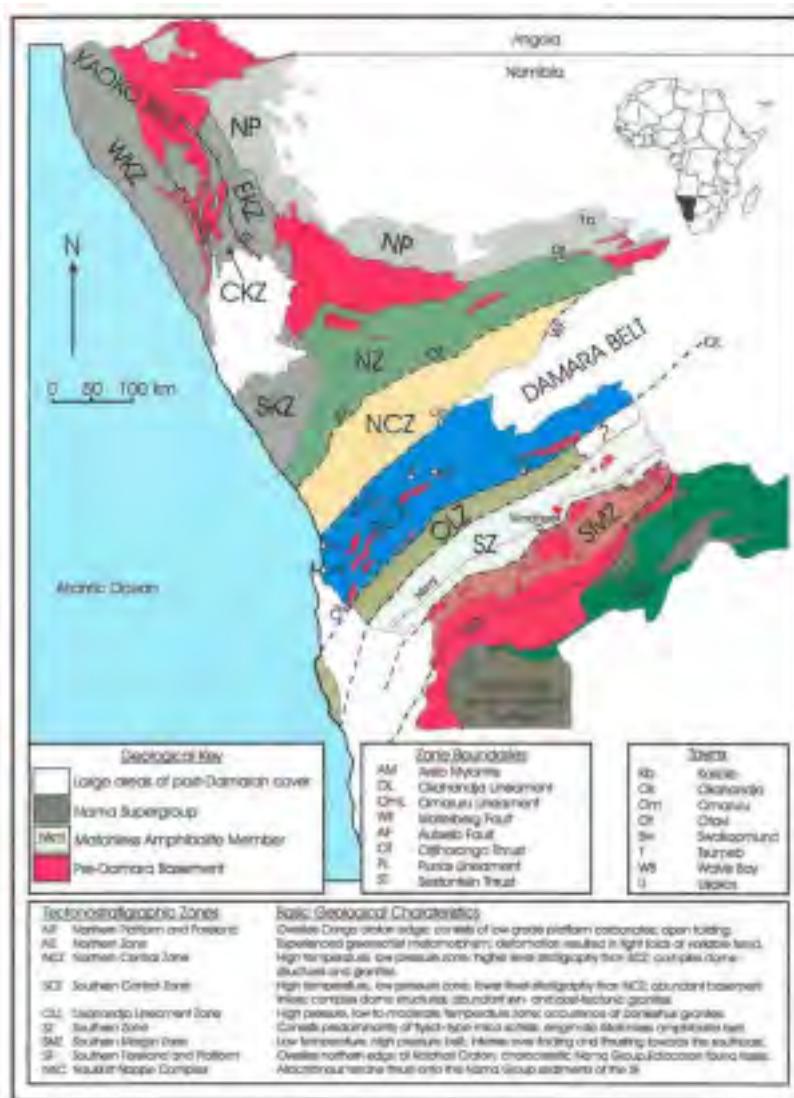
### 7.2.1 Namibian Projects

Namibia is underlain by rocks of Archaean to Phanerozoic age, with the oldest rocks occurring in the northwestern part of the country. Central Namibia comprises lithologies of the late Proterozoic Damara Orogen, a broadly uplifted block of mid-crustal rocks characterized by domal antiforms elongated in a northeastern trend with synforms containing schists and syntectonic granites. The Lower Damara (Nosib Group) consists of up to 4,600 m of gneisses and schists unconformably overlain by the Upper Damara (Swakop Group) comprised of marble, quartzites, and schists (Schneider, 2004, Miller, 2008).

The Damara Orogen has been divided into three major belts (Figure 7-3):

1. The *Northern Zone* ("NZ") representing an open folded foreland basin of low-grade metamorphism
2. Calcareous and pelitic metasediments, and minor volcanic rocks of the *Central Zone* ("CZ") which were initially deposited in a back arc, passive continental margin resting on pre-Damaran basement rocks and,
3. The *Southern Zone* ("SZ") defined by a series of southeast verging thrust belts cutting pelitic sediments which have been deformed under high P/low T metamorphic conditions (Viljoen, 2005).

**Figure 7-3**  
**Damara Belt of central Namibia showing the location of the Ongombo and Ongeama projects on the Matchless amphibolite belt within the southern zone**



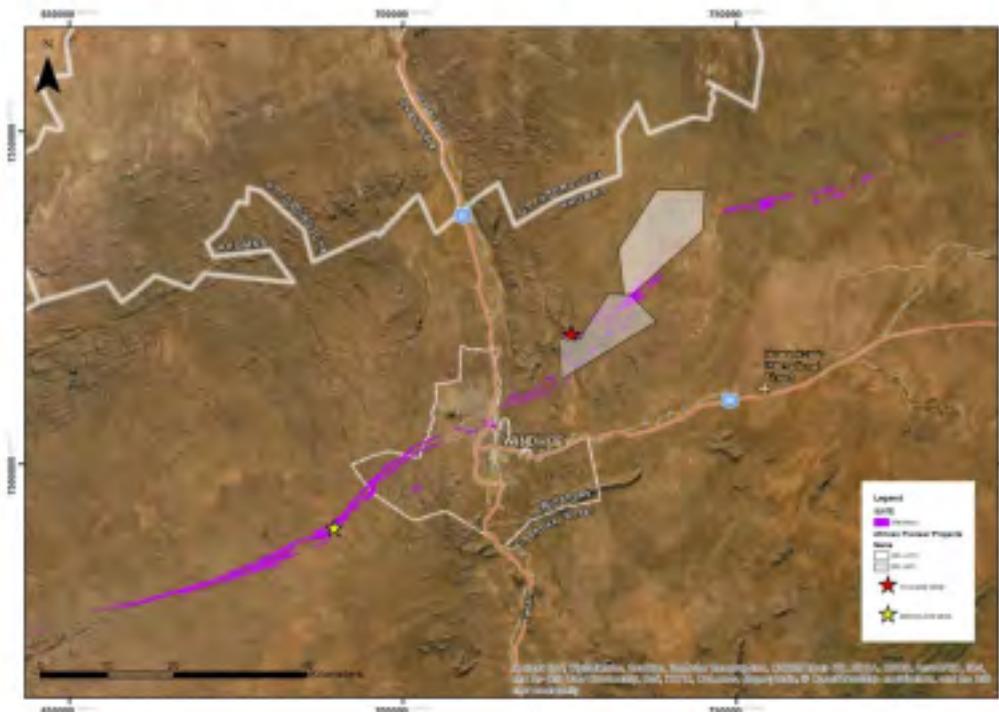
**Source:** Viljoen (2005)

### 7.2.1.1 Ongombo and Ongeama Geological Setting

The Ongombo and Ongeama projects are located within the Matchless Member (the "Matchless Amphibolite Belt") of the Kuiseb Formation, a conspicuous assemblage of lenses of foliated amphibolites, chlorite-amphibolite schist, talc schist and metagabbro (Figure 7-4). The Matchless Member, up to 5 km wide in the Otjihase area, stretches 350 km east-northeastwards in the Southern Zone of the Damara Orogen from the Gorob – Hope area towards Steinhause north of Omitara. Metamorphosed mafic volcanic and plutonic rocks of the Matchless Amphibolite Belt are tectonically imbricated with the metaturbidites (Figure 7-5) (Miller, 2008). The mafic rocks are regarded as the uppermost section of the Khomas oceanic crust.

**Figure 7-4**

**Location of the Ongombo and Ongeama Projects within the Matchless Belt in central Namibia. Note the location of the Otjihase – (in care and maintenance) and Matchless (now defunct) Mines.**

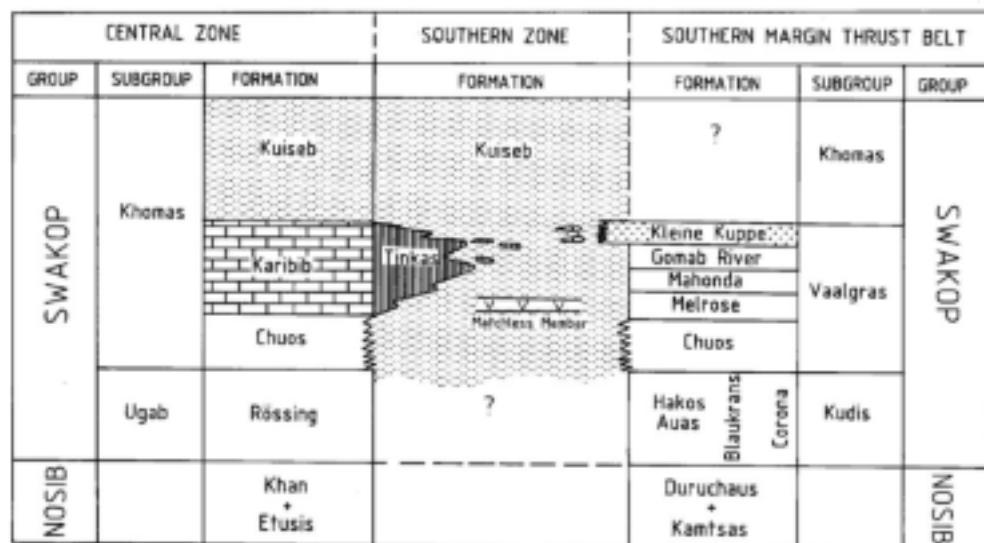


**Source:** MSA (2021)

A total of 18 individual ore bodies have been recognized within the Matchless Belt, the most important of which are the Gorob –, Matchless –, Otjihase –, Ongeama – and Ongombo occurrences. There are close similarities between the mineralisation at these occurrences. In addition, four main clusters have been recognized which may correlate spatially with palaeovolcanic centres (Killick, 1982) namely:

1. The Gorob cluster in the southwest consists of eight sulphide lenses distributed about a large synformal fold.
2. The Niedersachsen cluster consists of three separate gossanous magnetite-quartzite occurrences associated with quartz-sericite schist. The largest occurrence at Niedersachsen, comprises three lenses with a total strike length of about 1.8 km, and the other two occurrences each have a strike length of about 1 km.
3. The Matchless cluster consists of the Matchless Mine deposit, which has been previously worked as well as three additional smaller sulphide bodies.
4. The Otjihase cluster in the northeast consists of the Otjihase deposit (which is the largest known occurrence on the Matchless belt), as well as the Ongeama and Ongombo deposits.

**Figure 7-5**  
**Stratigraphical setting of the Matchless Member (hosting the Matchless Ambibolite Belt) within the Kuiseb Formation of the Damara Southern Zone**



**Source:** Killick (1982)

### 7.2.1.2 Ongombo Mineralisation

The Ongombo and Ongeama projects are generally described as a Besshi-type massive sulphide ore deposit. These are described as thin sheet-like bodies of massive to well-laminated pyrite, pyrrhotite, and chalcopyrite within thinly laminated clastic sediments and mafic tuffs. Three mineralized shoots are identified in the Ongombo area, namely the West Shoot, the Central Shoot and the East/Ost Shoot. The shoots plunge at about 7 degrees in a northeasterly direction. The mineralised zone is enveloped in staurolite-rich biotite schist, which contains fine to coarse disseminated sulphide grains and consists of streaky, banded and locally semi-massive granular sulphide aggregates within a quartzitic groundmass, which is in places magnetite-bearing (Figure 7-6) (Killick, 2000).



**Figure 7-6**  
**Mineralised drill core from the Ongombo Project**



**Source:** Namibian Copper (2014)

#### **7.2.1.3 Ongeama Mineralisation**

The Ongeama occurrence is situated 8 km SSW of Ongombo. Mineralisation at Ongeama is hosted in amphibolites and associated magnetite-quartzites of the Matchless Belt. The drilling of 26 diamond holes by JCI in the early 1970's demonstrated the Ongeama shoot extends down-plunge for a distance of 1,650 m, over a width of 150 to 250 m with lower grade mineralisation extending to a maximum width of 500 m (Hoffman, 1976).

An outcrop of gossan with copper oxide mineralisation at Ongeama is shown in Figure 7-7.

**Figure 7-7**  
**Gossan at Ongeama with copper oxides**



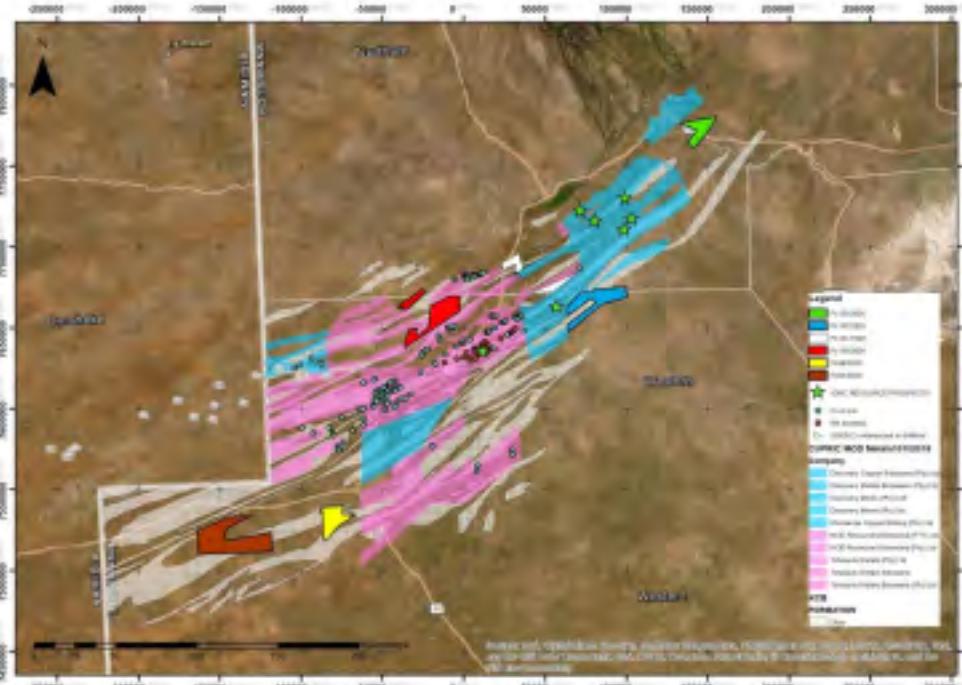
**Source:** Shali Group presentation

## 7.2.2 Botswanan Projects: Subject to Conditional Botswana Licence Sale Agreement

### **7.2.2.1 Kalahari Copperbelt Geological Setting**

The Kalahari Copperbelt, approximately 1,000 km long by up to 250 km wide, is a northeast-trending Meso- to Neoproterozoic belt that occurs discontinuously from western Namibia into northern Botswana along the northwestern edge of the Palaeoproterozoic Kalahari Craton (Figure 7-8). The belt contains copper-silver mineralisation, which is generally stratabound and hosted in metasedimentary rocks that have been folded, faulted and metamorphosed to greenschist facies during the Damara Orogeny (Lehmann *et al.*, 2015). The Kalahari Copperbelt is relatively well exposed in western and central Namibia, while in eastern Namibia and most of Botswana the belt is covered by the Cenozoic Kalahari Group sands. The sand cover impacts general surface geological mapping and geochemistry and the most useful exploration information has been obtained from geophysical surveys and drilling.

**Figure 7-8**



**Source:** MSA (2021)

While stratigraphic mapping is regarded as difficult in areas of no outcrop, the Kalahari Copperbelt has been investigated in detail by a number of companies over the last few decades, which has resulted in stratigraphic placement of these copper-silver prospects. Larger deposits prospects have been identified by:

- Cupric Canyon Capital
- ASX listed MOD Resources Ltd.

### 7.2.2.2 Kalahari Copperbelt Mineralisation

The lowermost coarsening-upward assemblage at the base of the D'Kar Formation (on the contact with lower Ngwako Pan Formation) hosts copper sulphide minerals and is informally referred to as the ore zone package (Figure 7-9) (Hall, 2013).

**Figure 7-9**

**Stratigraphic column showing the location of the Kalahari Copperbelt mineralisation at the base of the D'kar Formation lying immediately above the Ngwako Pan Formation**

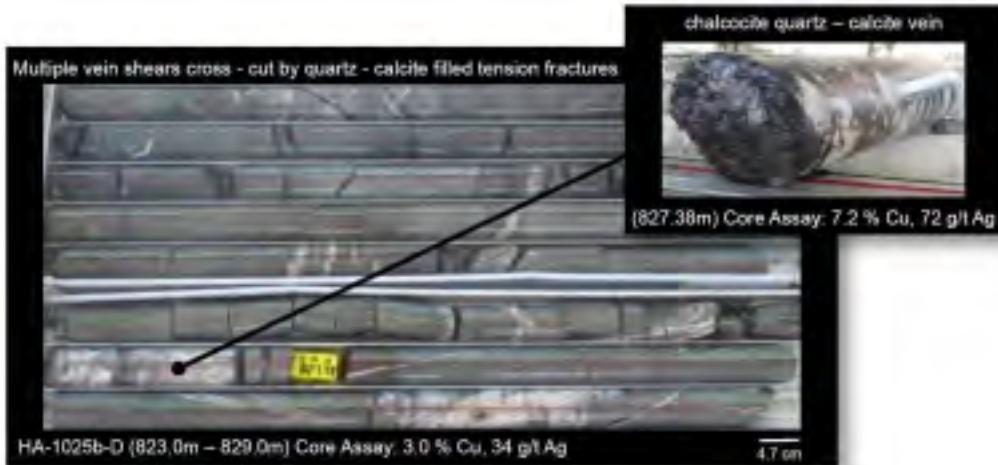
Belt	Group	Subgroup	Formation	Lithology	Depositional Setting	
Pan African Ghanzi-Chobe belt (Ghanzi-Chobe Supergroup)	Okwa	Bolitshyangó	Illep	Siltstone, sandstone, and limestone	Lacustrine setting in fluvial	
			Chobukwane	Siltstone, shale, and dolomite		
	Kaege	Tswane	Tswane	Siltstone, dolomite, sandstone, and concretion	Dunal lacustrine setting in high-energy fluvial	
			Takatswaane	Siltstone, dolomite, concretion, and grey dolomite, and dolomite		
	Ehlanzi	Mampane	Mampane	Arkose, dolomite, sand, and concretion		
			D'Kar	Sedite, dolomite, arkose, and concretion		
		Tshwane	Ngwako Pan	Siltstone, sub-arkose, dolomite, and shale	Wavesite setting in shallow marine and transitional environment	
			Kuke	Siltstone and concretion		
Kibaran belt	Kgwebe volcanic complex Widgery (greenish-yellow sand) 110 Ma 1.05-1.08 Ga (Hall et al., 1996; Sibanda et al., 2001)			Siliceous chert, dolomite, marlstone, and agglomerate, minor interbedded metasulphidic rocks	Volcanic volcanism	
	Ehlanzia-Kahimo block, Kwando Complex, Namaqua-Natal Belt 1.35 - 1.38 Ga 1.35-1.38 Ga (Hall et al., 1996)			Greensand (greenish-grey)		
Eburnian belt	Kheis Belt, Magondi Belt, Okwa Basement Complex 2.04 - 1.98 Ma			Metavolcanic, minor greenish dolomite and interbedded		

**Source:** Hall (2013)

The ore zone package consists of green to grey mudstone and siltstone with minor marlstone and sandstone (Figure 7-10). The package varies in thickness with the greatest thicknesses reported from the northern part of the Belt where it ranges from 20 to >100 m. At Cupric Canyon's Plutus Prospect (JORC compliant 82 Mt @ 1.3% Cu and 13g/t Ag), the ore zone package displays variable thicknesses along strike from 130 m thick in the southwest to roughly 80 m thick in the northeast. To the northeast the *ore zone package* thickens to approximately 50 m, is dominated by mudstone, and grades upwards to mudstone intercalated with minor siltstone, limestone, and sandstone.

Figure 7-10

**Kalahari Copperbelt ore zone package lithologies. Mineralized veins crosscut lithologies sub-parallel to bedding**

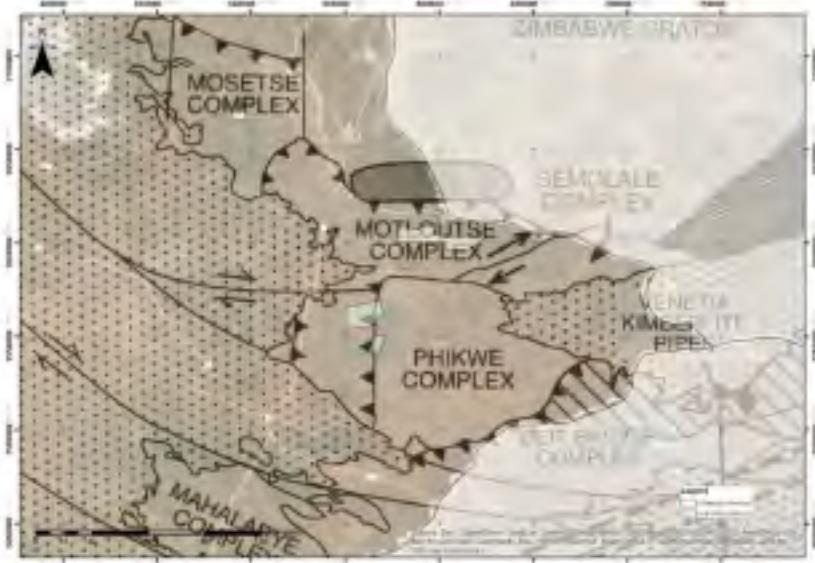


*Source: Cupric Canyon*

#### 7.2.2.3 Limpopo Mobile Belt Geological Setting

The Selebi-Phikwe area forms part of the Limpopo Belt, an Archaean to Paleoproterozoic ca 250 × 550 km granulite facies metamorphic belt situated between the Kaapvaal and Zimbabwe cratons (Figure 7-11).

**Figure 7-11**  
**Geological setting of the Limpopo Mobile Belt projects in eastern Botswana**



**Source:** Barton et al. (2006)

The Limpopo Belt consists of several terranes with different formation ages (between 3.2 and ca 2.6 Ga) and tectonometamorphic histories. These terranes have been accreted onto the Zimbabwe and Kaapvaal cratons along wide, steeply dipping shear zones over a period of ca 700 Ma, from 2.7 to 2.04 Ga (Barton et al., 2006). The major terranes comprise the Central Zone, Southern Marginal Zone and Northern Marginal Zone. The Phikwe Complex is located within the Central Zone and largely consists of Archean hornblende-bearing tonalitic and trondhjemitic gneisses. It also contains the Selebi-Phikwe belt of mafic to ultramafic intrusions that is hosted by medium- to coarse-grained, massive to weakly foliated, granoblastic to porphyroblastic granite gneiss and a variety of banded supracrustal gneisses comprising hornblende-gneiss, quartzofeldspathic gneiss and anorthositic gneiss.

#### 7.2.2.4 Limpopo Belt Mineralisation

The area to the east and south of Francistown, eastern Botswana hosts a number of intrusive magmatic Ni–Cu–(PGE) sulphide deposits. Several of the deposits are of considerable economic interest, including the Phoenix, Selebi-Phikwe and the Selkirk ore bodies. The deposits are of variable size ranging from 31 Mt of ore (1.36% Ni, 1.12% Cu) at Phikwe to 0.6 Mt of ore (1.2% Ni, 0.6% Cu) at Tekwane. The eastern Botswana Ni–Cu–(PGE) deposits may be subdivided into two groups.

1. The first group of deposits, hosted by the Phoenix, Selkirk and Tekwane intrusions occurs within the Tati greenstone belt. The deposits were discovered in 1963 by Sedge Botswana Ltd., a subsidiary of the Anglo American Corporation, based on mapping and stream sediment geochemistry.



2. The second group of deposits, comprising Phikwe, Dikoloti, Lentswe and Phokoje, are hosted by the Selebi-Phikwe mafic-ultramafic intrusions that occur within gneisses of the Limpopo metamorphic belt some 200 km to the south of the Tati belt. Most of the deposits were discovered by BCL between 1963 and 1966 using soil geochemistry.

The Selebi Pikwe and Tati Nickel belts are believed to be the westward extension of the extensive Zimbabwe craton granite-greenstone terrane that also hosts nickel deposits of Zimbabwe. The southern part of this terrane has been subject to deformation by the Limpopo orogenic belt that separates the Kaapvaal and Zimbabwe cratons. The main distinction between the above belts of nickel mineralisation relates to the degree of deformation, with the Selebi Pikwe terrane being extensively structurally modified. The mineralisation is hosted within settings varying from the relatively undeformed Selkirk and Phoenix deposits in the Tati greenstone belt, to the remobilised, metamorphosed and overturned deposits of the Selebi Pikwe belt. The mineralisation is generally associated with tholeiitic gabbroic to ultramafic intrusions as lenses of massive sulphide (Selkirk Mine), to disseminated and cross-cutting vein-style mineralisation (Phoenix Mine). At Selebi Pikwe, the mineralisation is derived from a mafic sill and has been remobilised by subsequent deformation to be, in some cases, significantly dismembered from the source.

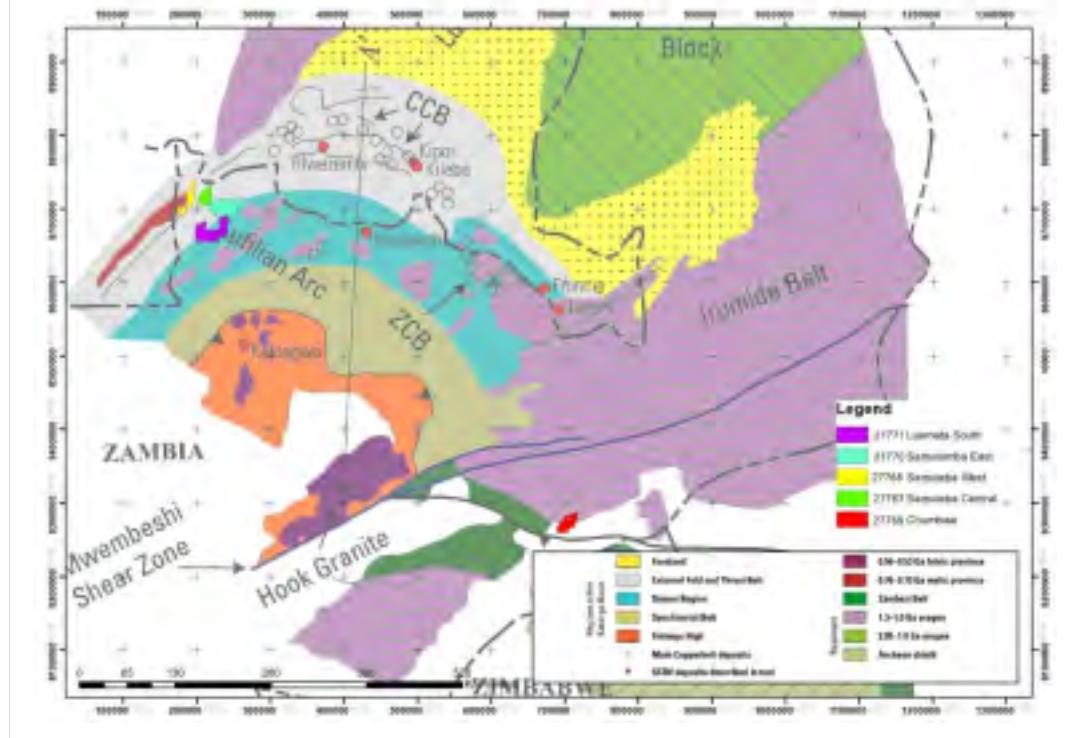
### **7.2.3 Zambian Projects**

In Zambia, two branches of the network of Neoproterozoic-Cambrian mobile belts of the Pan-African Orogen are exposed. To the north, the Lufilian Belt (also called the Lufilian Arc) consists of predominantly metasedimentary rocks of the Neoproterozoic to Cambrian Katanga Supergroup and is characterised by the development of northwest, north and northeast vergent folds and thrusts in its northern parts and a peak of the syn-metamorphic Pan-African deformation during the early Cambrian.

To the south, the oppositely verging (south to southwest vergent) Zambezi Belt has a northwest-southeast to WNW-ESE strike and comprises a Neoproterozoic supracrustal succession namely the Zambezi Supracrustal Sequence that has been correlated with the lower units of the Katanga Supergroup. In southern Africa, the Zambezi belt forms the eastern part of a transcontinental orogenic system that connects with the East African orogen and records interactions between the Congo and Kalahari cratons during collisional assembly of the Gondwana supercontinent at the end of the Neoproterozoic (Hargrove *et al.*, 2003). The African Pioneer Zambia licences in Zambia (Figure 7-12) are located within these two branches namely:

1. The Lufilian Belt (hosting the central African Copper mineralisation) and,
2. The Zambezi Belt which is lesser known than its northern counterpart.

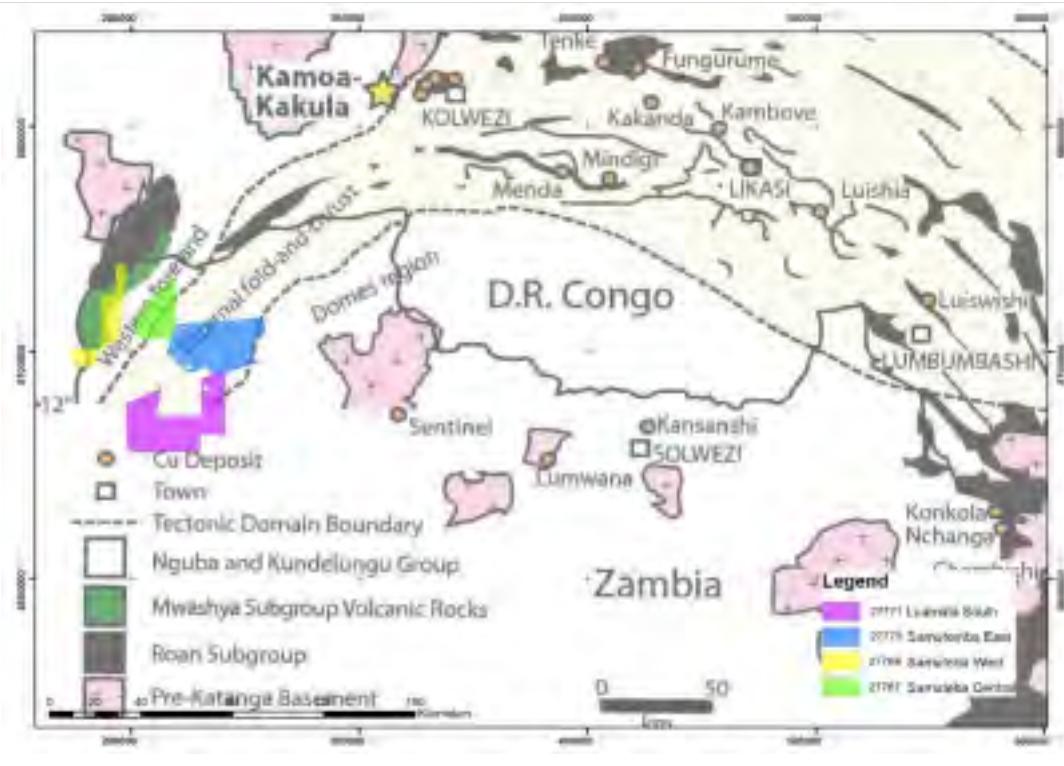
**Figure 7-12**  
**Regional geological setting of Zambia showing the location of the African Pioneer**  
**Zambia licences in NW Zambia (Lufilian Arc) and southern Zambia (Zambezi Belt)**  
**(Peters, et al., 2019)**



#### 7.2.3.1 Central African Copperbelt Projects Geological Setting

The African Pioneer licences in northwest Zambia are located on the western edge of the Lufilian Arc (Figure 7-13). The Lufilian Arc is a Pan African arcuate fold-and-thrust belt that was active from the Late Proterozoic until the Late Cambrian and extends over 800 km in an east-west direction, curving to the northeast (Kampunzu and Cailteux, 1999). It originates in Luanshya, Zambia, extending through Kolwezi in the DRC and terminates in southeastern Angola (Jackson *et al.*, 2003).

**Figure 7-13**  
**Geological setting of the African Pioneer Zambia licences in the Lufilian Arc of NA Zambia**



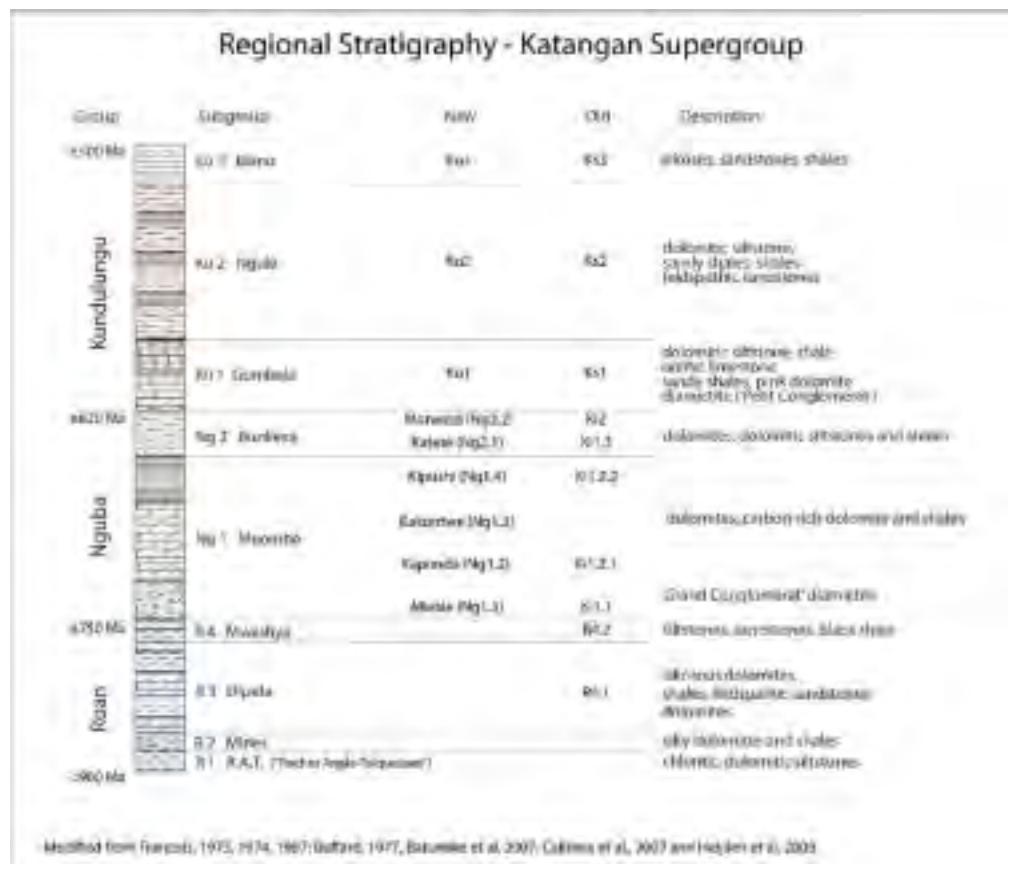
**Source:** Jackson *et al.* (2003)

The local geology of the African Pioneer licences comprises mostly upper Katangan Supergroup lithologies, which includes the Nguba and overlying stratigraphically younger, Kundelungu Groups (Figure 7-14). Although exact stratigraphic placement of these lithologies is difficult, mostly due to the structural complexity of the area and limited outcrop, the regional geological setting of the area points towards similarities with the Ivanhoe Mines Ltd Kamo deposit in the nearby DRC.

Target mineralisation within northwest Zambia is modelled upon either Tenke-Fungurume or Kamo in the DRC. Mineralisation in the majority of the Katangan Copperbelt orebodies such as at Tenke-Fungurume is hosted in the Mines supergroup (R2). The mineralisation at Kamo differs from these deposits in that it is located in the Grand Conglomérat unit (Ki1.1) at the base of the lower Kundelungu Group (Peters *et al.*, 2019).

Figure 7-14

**Mineralisation in the majority of the Katangan Copperbelt orebodies such as at Kolwezi and Tenke-Fungurume is hosted in the Mines Subgroup (R2). The mineralisation at Kamoá differs from these deposits in that it is located in the Grand Conglomérat unit (Ki1.1) at the base of the lower Kundulungu Group**



**Source:** Peters et al. (2019)

### 7.2.3.2 Central African Copperbelt Projects Mineralisation

The Central African Copperbelt ("CACB") is well known for its world class stratiform and stratabound copper-cobalt deposits. These deposits are located in the DRC and Zambia. They are hosted within Neoproterozoic sedimentary rocks of the Katangan Supergroup, deposited in a series of intracontinental rift basins. During the Pan African Lufilian orogeny, the Katangan rocks underwent a long tectonic history producing over 500 km east-west trending arcuate fold-and-thrust belt known as the Lufilian Arc. A less deformed plateau molasses was syn-tectonically deposited in the Northern Katangan foreland basin, consisting of the Kundulungu Group of the Katangan Supergroup (Batumike et al., 2007; Rainaud et al., 2005).

Mineralisation targeted at the African Pioneer Copperbelt Project is modelled on the Ivanhoe Mines' Kamoá-Kakula deposits in the DRC (Figure 7-15). Mineralising fluids at Kamoá appear linked to residual evaporitic brines generated during deposition of the basin-wide salt-sheets, occupying



large subsalt and intrasalt aquifers from ~800 Ma. This marks the earliest likely mineralising event, particularly in the Zambian-type stratiform Cu ± Co ores, which had continuous interaction with subsalt aquifers over long periods due to the static (non-halokinetic) character of the salt in this region. Whilst timing of mineralisation may be a focus of debate, the absolute age of mineralisation is a minor consideration in exploration for sediment-hosted copper deposits as the distribution of deposits is fundamentally controlled by the chemical and permeability characteristics upon which ore fluids were superimposed (Selley et al., 2018).

**Figure 7-15**

**High grade intersection at Ivanhoe Mines Ltd Kamo Project showing lenses of chalcopyrite-bornite (e.g., as indicated by arrowheads) within the weakly deformed host siltstones and reworked glacial sedimentary rocks that constitute the main host in the Grand Conlomérat of the basal Nguba Group**



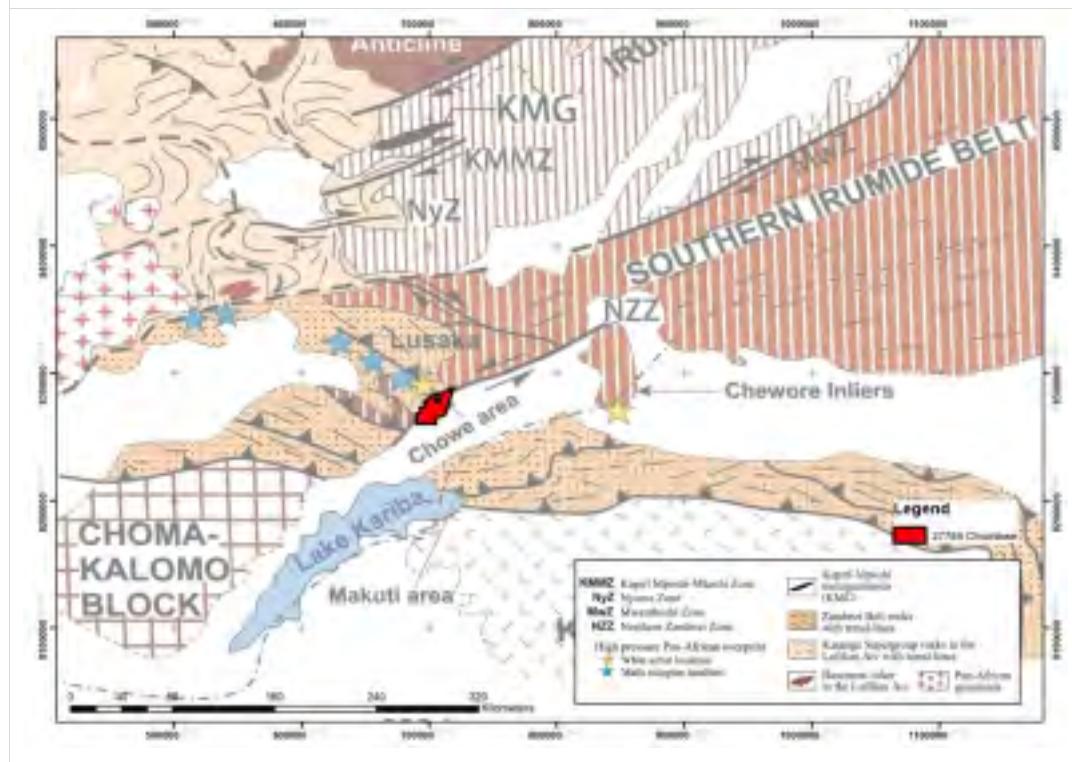
**Source:** Portergeo.com.au

Additional mineralisation potential on the African Pioneer Copperbelt Project include a "Shaba-Type" copper-cobalt deposit, after the Shaba deposit in Kolwezi, DRC.. Copper within Shaba-type deposits is hosted by Mines Group sedimentary rocks of the Roan Group occurring as megabreccia fragments surrounded by Kundulungu Group.

#### **7.2.3.3 Zambezi Project Geological Setting**

The African Pioneer Chumbwe project is situated 60 km southeast of the Zambian capital of Lusaka, within the Zambezi Belt (Figure 7-16). The Zambezi Belt has a northwest-southeast to WNW-ESE strike and comprises a Neoproterozoic supracrustal succession namely the Zambezi Supracrustal Sequence.

**Figure 7-16**  
**Location of HQ-LEL 27769 within the regional Zambezi Belt of southern Zambia on the contact between the mesoproterozoic basement and neoproterozoic Zambezi Supracrustals**



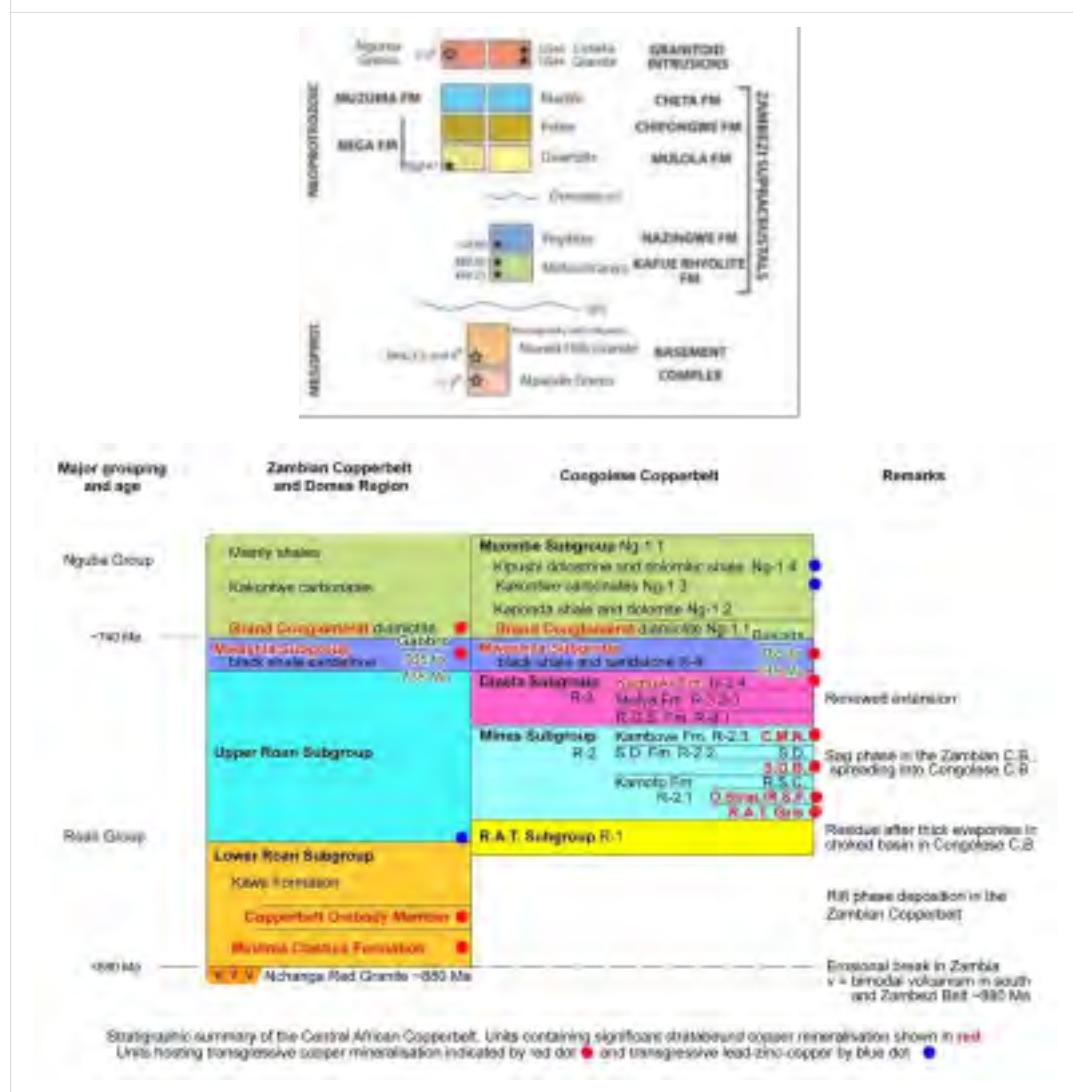
**Source:** Kampunzu *et al.* (2009)

Within the Zambezi Belt, the Katangan Supergroup equivalents commence with the Chunga Formation (also sometimes grouped together as the Chipongwe and Mulola Formation), composed of feldspathic quartzites (Figure 7-17). The overlying Cheta Formation comprises a thick basal limestone, followed by quartz-muscovite (-chlorite) schist and quartzite. This is followed, in turn, by the Lusaka Dolomite, which ranges from dolostone to limestone and has been regarded as an equivalent of the Nyama Formation and Nguba Group, although it could also be part of the Upper Roan Subgroup (Kampunzu *et al.*, 2009). All of these rocks have been subjected to medium to high grade metamorphism, occurring as paragneiss and high-grade schist and amphibolites.



**Figure 7-17**

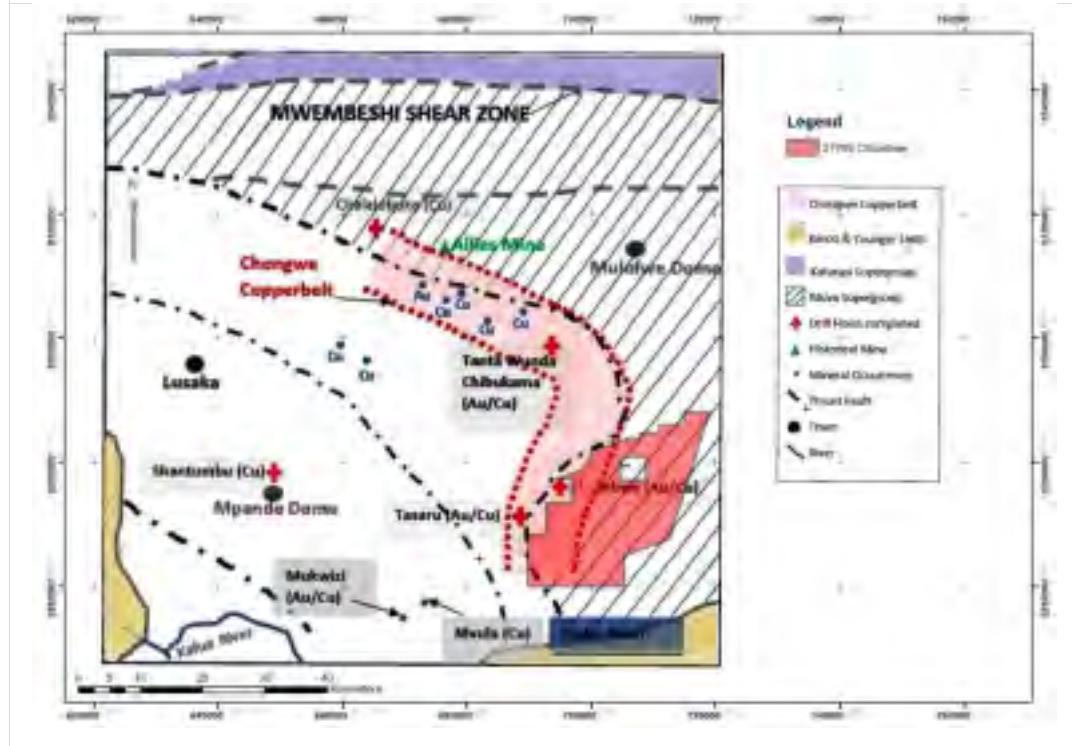
The Zambezi supracrustal sequence comprises a metasedimentary package of clastics and carbonates, with a thick sequence of basal volcanics and lavas. Johnson *et al.* (2007) suggests a correlation between the ZSC and the Roan Group of the Zambian Copperbelt



HQ-LEL 27769 (Chumbwe) forms part of the Chongwe Copper Belt ("CCB"), which hosts several copper and gold occurrences over a strike of approximately 80 km and a width of approximately 3 km (Figure 7-18). Copper mineralisation coincides with the contact between the Basement granitoid-gneisses and the overlying Katanga metasediments (Not in reference list).

Figure 7-18

**Location of the Chumbwe licence HQ-LEL 27769 relative to the northeast trending Chongwe Copper Belt, which corresponds to the contact between the granite basement and the Zambezi Supracrustals**



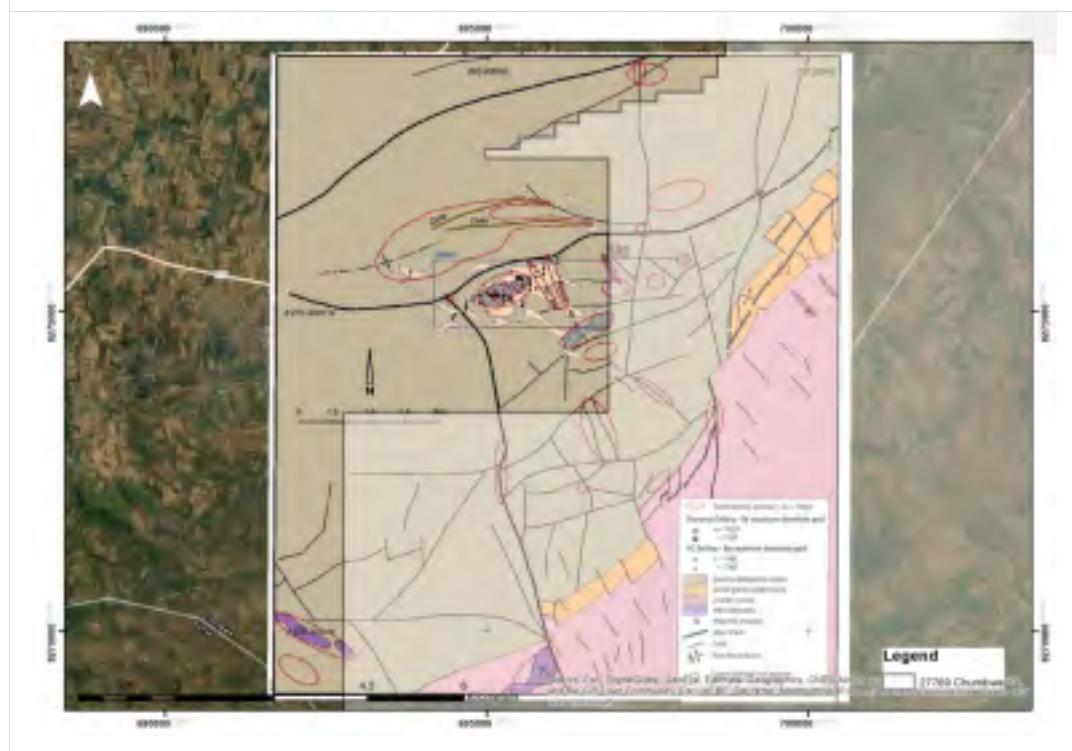
Source: King (2018)

#### 7.2.3.4 Zambezi Project Mineralisation

Within the Chongwe Copperbelt, malachite and chalcopyrite mineralisation in close association with magnetite, is hosted by silicified quartz-hematite veining and breccias. The copper mineralisation is disseminated through the brecciated assemblages of ferruginous altered carbonate, calc-silicate, and amphibole schist lithologies, and feldspar-quartz-biotite and quartz-biotite schists (Zambezi Resources, 2005; Zambezi Resources, 2007). Sulphide mineralisation is hosted by Katanga Supergroup lithologies which overlie or are near the unconformity with the Basement (Figure 7-19) (Zambezi Resources, Prospectus, 2007).

In addition to known copper mineralisation, gold mineralisation in the Chumbwe area has been known for over 60 years. Historical exploration by Zambezi Resources has shown that gold within the area is structurally hosted within an east-northeast trending anastomosing quartz vein system hosted by sericite-quartz schist that extends through the African Pioneer project. Gold has been recognised by Zambezi Resources to occur in association with magnetite and pyrite within the quartz veining, with disseminated lower grades in the country rock.

**Figure 7-19**  
**Location of the Zambezi Resources' Chumbwe gold project (outside HQ-LEL 27769) showing airborne magnetic data anomaly targets as well as the basement – Chunga Formation contact zone (within HQ-LEL 27769). This latter contact is regarded as the prospective Chongwe Copper Belt.**



**Source:** Zambezi Resources (2007)

## 8 DEPOSIT TYPES

### 8.1 Namibian Projects

#### 8.1.1 Matchless Belt

The Matchless Amphibolite Belt ("MAB"), a remnant from the continental breakup and formation of the Khomas Ocean, consists of deformed and metamorphosed mafic volcanic and intrusive rocks. The mafic rocks occur as layers and lenses within the Kuiseb schists (Table 8-1). The number of amphibolite bands within the belt varies from a single - up to ten bands in different areas (Killick 2000). The copper metal ore occurrences along the Belt are interpreted as Besshi-type, volcano-exhalative sulphide deposits ("VHMS" type deposits) (Johnsson, 2014).

**Table 8-1**

**Simplified stratigraphic table of the southern part of the Damara belt hosting the Matchless Belt**

Group	Subgroup	Formation & Thickness	Lithology
Swakop	Khomas	Kuiseb (10,000 m)	Schistose quartz-feldspar-mica metagreywacke and metapelite, garnet-cordierite gneiss. Minor marble, quartzite, amphibole schist, marl, calc-silicate rock, skarn, graphitic schist and migmatite (MAB)
		Auas (2,400 m)	Quartzite, graphitic schist, quartz-mic schist, marble, conglomerate, amphibolite
		Chuos (1,650 m)	Mixtite, pebbly schist, quartz-mica schist, quartzite, conglomerate, dolomite, iron formation, amphibolites, calc-silicate rock, various turbiditic rocks and migmatite
	Kudis	Hakos (2,000 m)	Quartzite, minor turbiditic schist and quartzite
		Blaukrans (900 m)	Graphitic schist, quartz-mica schist, marble, quartzite, conglomerate
		Corona (1,650 m)	Marble, quartz-mica schist, graphitic schist, conglomerate, quartzite
Nosib	Kamzwas	Kamzwas (6,200 m)	Feldspathic quartzite and arkose, often pebbly, conglomerate
		Duruchaus (5,000 m)	Fissile metashale, micaceous metasiltstone, thin micaceous sandstone and arkose, conglomerate, meta-evaporites, albitolite, dolomite, quartz-mica schist

**Source:** Johnsson (2014)

The discriminating properties of a Besshi type deposit is that they are all enclosed in a sequence of clastic sedimentary rock and basalts, in a marine lithological environment. The deposits formed by exhalation on the sea floor as stratiform lenses and sheet-like accumulations, with comprehensive sedimentation occurring at the same time (Schoeman 1996). The ore assemblage is dominated by pyrite and/or pyrrhotite with significant amounts of Cu and Zn and minor amounts of Au and Ag. In the historical Matchless mine (Klemd *et al.* 1987) and the Otjihase Mine (Goldberg 1976) areas, the massive copper ore is hosted within so-called shoots. These shoots are structurally controlled zones with higher concentration of copper mineralisation. The shoots are parallel to the main mineral lineation in a northwesterly strike and are closely associated with magnetite quartzite. In the mineralized areas magnetite quartzite is always present, however magnetite quartzite also occurs in areas with no mineralisation (Johnsson, 2014).



The base metal deposits are not homogeneous bodies but considered to be volcanic-hosted massive sulphide deposits, which do exhibit primary features, as shown by compositional banding, as well as variations in texture, chemical composition and sulphide mineralogy. These primary features of the deposits have been modified by subsequent tectonic and metamorphic events. The shape of the sulphide bodies varies from tabular to ribbon-like (Killick, 1983). Several styles of mineralisation have been reported from the various deposits and the most common characteristics can be summarised as follows:

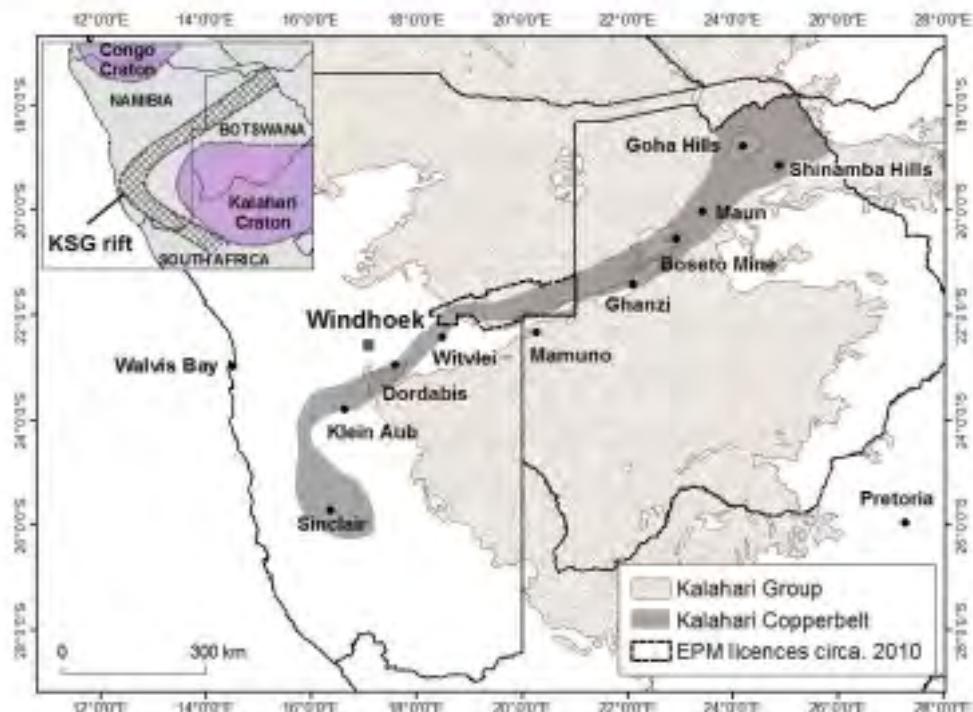
- The occurrences are commonly associated with a tabular magnetite quartzite (Killick, 1982; Klemd et al., 1987) which may be massive or banded. These rocks may also carry base metal sulphide minerals and are interpreted to have been chemical sediments. Although lenticular in form, these magnetite quartzites tend to be more laterally extensive than the sulphide mineralisation. The strike length of these bodies reaches a maximum in the Otjihase deposit where the magnetite quartzite can be traced over a distance of 2,200 m but significant base metal mineralisation is restricted to about 800 m of that length.
- Part of the sulphide mineralisation is a concordant, massive to banded body, but some is disseminated. A fragmental ore, interpreted to be a breccia, has also been reported from the Matchless deposit (Klemd et al., 1987), however the mapped distribution of these breccias relative to the other ore types is not available.
- Mineralisation consisting of sulphides in hairline fractures, veinlets or sulphide-bearing quartz-carbonate veins is referred to as stringer ore. These stringer ores are commonly asymmetrically developed relative to the massive ore (e.g. Killick, 1982).
- Within the tabular bodies, better mineralised shoots can often be discerned (Goldberg, 1976; Adamson and Teichman, 1986; Klemd et al., 1987). These shoots are generally parallel to the main mineral lineation and the F2 fold axes. Klemd et al. (1987) proposed that these shoots are due to metamorphic migration of the sulphide minerals into fold hinges. There is generally a discernable zoning of the above features from a copper-rich, massive ore associated with a silicic host, through disseminated ore with a higher Cu/Zn ratio in sericitic host rocks, to stringer ore with a higher proportion of iron sulphides, commonly hosted by quartz-mica schists.

## **8.2 Botswanan Projects: Subject to Conditional Botswana Licence Sale Agreement**

### **8.2.1 Kalahari Copperbelt Deposit Type and Model**

The Ghanzi Chobe Belt ("GCB"), is an elongated northeast trending ridge zone (~100 km wide) of deformed volcano-sedimentary rocks, which forms part of the Pan African Mobile Belt (Gill, no date). The GCB forms part of a larger system referred to as the Kalahari Copperbelt ("KCB") which extends from southern Namibia to northeastern Botswana (Table 8-1). This belt follows the northern and western edges of the Kaapvaal (Kalahari) Craton, along the southern margin of the Pan-African Damara Orogenic Belt.

**Figure 8-1**  
**Setting of the Kalahari Copperbelt (KCB) in southern Africa showing extensive Kalahari sand cover within the eastern Namibia and most of the Botswana sector of the belt**



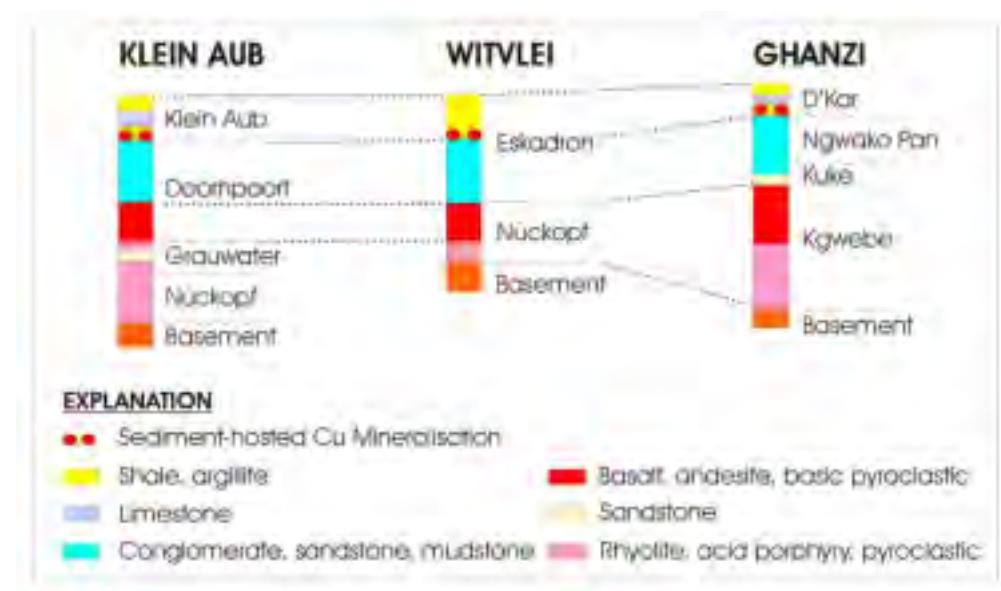
**Source:** MSA (2021)

The KCB incorporates a series of sediment hosted, stratiform copper deposits which share similarities in age, lithology and structure. These deposits are broadly contemporaneous and geologically similar to the copper-cobalt deposits of the Central African Copperbelt ("CACB") of Zambia and the DRC (Schwartz et al., 1996). Deformation and metamorphism during the Pan African (~530 Ma) assembly of the Gondwana supercontinent affected both the KCB and CACB as a series of orogenic belts, the Damara Orogeny affecting the former, and the Lufilian Orogeny affecting the latter (e.g. Miller, 1983; Porada and Berhorst, 2000).

The copper occurrences along the KCB share many similar characteristics to stratiform sediment hosted copper deposits in that they occur primarily as broadly stratiform deposits, are hosted within sediments and concentrate largely along perceived regional oxidation-reduction (redox) boundaries. In Botswana copper-silver mineralisation was discovered in 1962 in the region of Lake Ngami by Johannesburg Consolidated Investments ("JCI"). This irregularly developed mineralisation was identified straddling the contact between the clastic continental lithologies of the D'Kar Formation and the reduced lacustrine/marine lithologies of the Ngwako Pan Formation (Ghanzi Group) (Modie, 1996). In both central-eastern Namibia and much of Botswana the thick Cenozoic Kalahari Group sand and calcrete, which in places reaches >100 m thick limits exploration of this region to the edges of the Kalahari where exposures can be accessed. The Ghanzi-Chobe Supergroup in Botswana represents a basin-fill package that unconformably overlies the Kgwebe

volcanic complex. The sequence attains maximum stratigraphic thickness of 13,500 m thick near the Namibian border (Litherland, 1982; Modie, 1996) and thins to 5,000 m in Botswana, based on geophysical interpretations (Schwartz et al., 1995; Modie, 2000). The Ghanzi Group is correlated with the Klein Aub, Doornport, and Eskadron formations of the Lower Damara Sequence in Namibia, all of which host stratiform copper occurrences (Figure 8-2) (Hall, 2013).

**Figure 8-2**  
**Comparative stratigraphy between the Kalahari Copperbelt in Namibia (Klein Aub and Witvlei setting) and Botswana (Ghanzi setting). Note that the D'kar formation is identified by the presence of marl (limestone and clay combination).**



**Source:** MSA (2021)

### 8.2.2 Limpopo Belt Deposit Type and Model

The Pikwe nickel-copper orebody is an Archean stratabound massive sulphide deposit hosted within amphibolite. Magmatic sulphide deposits containing nickel (Ni) and copper (Cu), with or without ( $\pm$ ) platinum-group elements (PGE), account for approximately 60 percent of the world's nickel production (Naldrett, 2004). Magmatic Ni-Cu $\pm$ PGE sulphide deposits are spatially and genetically related to bodies of mafic and/or ultramafic rocks. The sulphide deposits form when the mantle-derived mafic and/or ultramafic magmas become sulphide-saturated and segregate immiscible sulphide liquid, commonly following interaction with continental crustal rocks (Arndt *et al.*, 2005).

Deposits of magmatic Ni-Cu sulphides occur with mafic and/or ultramafic bodies emplaced in diverse geologic settings ranging in age from Archean to Tertiary, but the largest number of deposits are Archean and Paleoproterozoic (Eckstrand and Hulbert, 2007). Nickel-Copper sulphide ore deposits can occur as single or multiple sulphide lenses within mafic and/or ultramafic bodies with clusters of such deposits comprising a district or mining camp. Typically, deposits contain ore



grades of between 0.5 and 3 percent Ni and between 0.2 and 2 percent Cu (Eckstrand and Hulbert, 2007). Tonnages of individual deposits range from a few tens of thousands to tens of millions of metric tons (Mt) bulk ore (Barnes and Lightfoot, 2005) (Schulz *et al.* 2010).

The sulphides in magmatic Ni-Cu deposits generally constitute a small volume of the host rock(s) and tend to be concentrated in the lower parts of the mafic and/or ultramafic bodies, often in physical depressions or areas marking changes in the geometry of the footwall topography (Barnes and Lightfoot, 2005). The major Ni-Cu sulphide mineralogy typically consists of an intergrowth of pyrrhotite, pentlandite and chalcopyrite. Cobalt, PGE, and gold (Au) are extracted from most magmatic Ni-Cu ores as by-products.

### **8.3 Zambian Projects**

#### **8.3.1 Central African Copperbelt Deposit Type and Model**

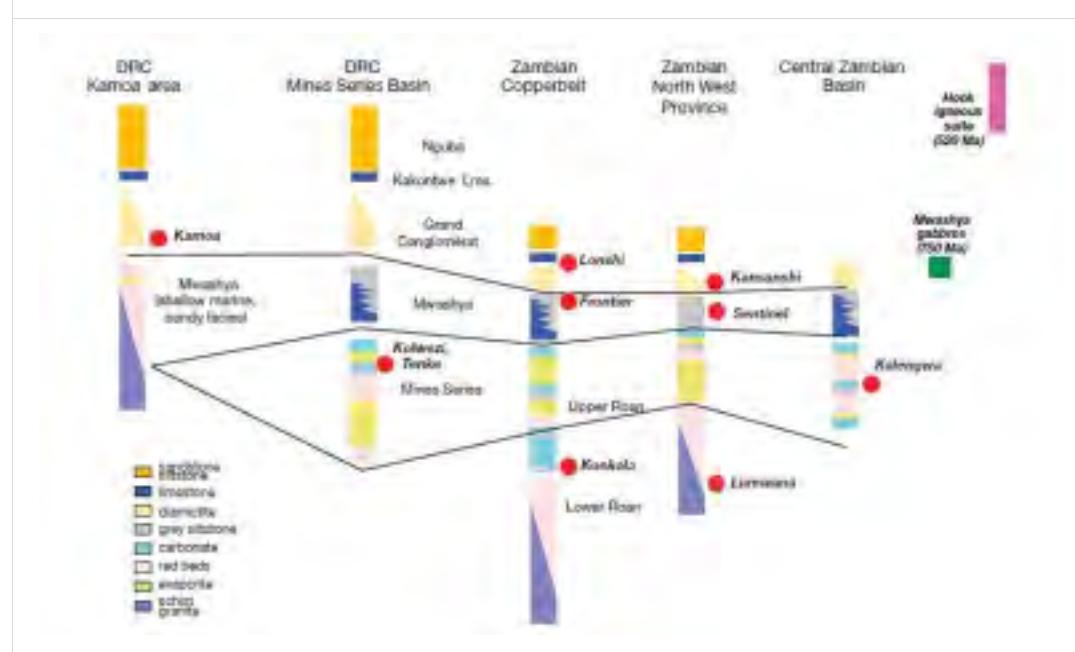
The mineralisation identified to date within the African Pioneer project area by historical exploration companies is typical of sediment-hosted stratiform copper deposits i.e. the Ivanhoe Mines Ltd Kamoá Project in the DRC. Such deposits can be hosted in either marine or continental (red-bed) sediments. Major global examples of these deposits include the Kupferschiefer (Poland), most of the deposits within the Central African Copperbelt (such as Kamoá-Kalula, Tenke–Fungurume, and Kolwezi. Common features of sediment-hosted copper deposits are (Hitzman *et al.*, 2005; Lines, 2018; Peters *et al.*, 2019):

- Geological setting: Intracratonic rift; fault-bounded graben/trough, or basin margin, or epicontinental shallow-marine basin near paleo-equator; partly evaporitic on the flanks of basement highs; basal sediments highly permeable. Sediment-hosted stratiform copper deposits predominate in late-Mesoproterozoic to late-Neoproterozoic and late-Paleozoic rocks;
- Deposit types: Host rocks are reduced facies (grey-beds) and may include siltstone, shale, sandstone, and dolomite. These rocks typically overlie oxidised sequences of haematite-bearing, coarser-grained, continental siliciclastic sedimentary rocks (red-beds);
- Mineralisation: Deposits consist of relatively thin (generally <30m) sulphide-bearing zones, typically consisting of chalcocite–bornite–chalcopyrite–pyrite. Minerals are finely disseminated, stratabound, and locally stratiform. Framboidal or colloform pyrite is common. Copper minerals typically replace pyrite and cluster around carbonaceous clots or fragments;
- Mineralisation timing: Sulphides and associated non-sulphide minerals of the host rocks in all deposits display textures and fabrics indicating that all were precipitated after hostrock deposition. Timing of the mineralisation, relative to the timing of host-rock deposition, is considered variable, and may take place relatively early in the diagenetic history of the host sediments or may range to very late in the diagenetic or post-diagenetic history of the sedimentary host rock;

- Transport/pathway: Porosity in clastic rocks, allowing upward and lateral fluid migration; marginal re-activated (inverted) basin faults culminating in thrust duplexes during deformation events may be important; low-temperature brines; metal–chloride complexes;
- Metal deposition: Metals were characteristically deposited at redox boundaries where evaporite-derived brines, containing metals most likely extracted from red-bed aquifers, and basement units, encountered reducing conditions;
- Mineralisation controls: Reducing low pH environment such as marine black shale, and algal mats are important as well as abundant biogenic sulphides and pyritic sediments. High permeability of footwall sediments is critical. Boundaries between paleohydrocarbon fluids or other reduced fluids and oxidised fluids in permeable sediments are interpreted common sites of deposition;
- Alteration: The most dominant alteration minerals are phlogopite, sericite, quartz, and dolomite ( $\pm$  tourmaline and K-feldspar) associated with the main phases of mineralisation.
- Lithogeochemistry: Evidence for elemental association of As, Bi, Ba, Mo, U, V and Zn in the main copper-bearing mineralised zones (Bernau et al., 2012 and McGowan, 2003).

Figure 8-3 shows the stratigraphic location of the main copper deposits in Zambia and the DRC.

**Figure 8-3**  
**Generalised stratigraphical column showing main copper deposits within Zambia and the DRC. Note the Zambian Northwest Province hosting the African Pioneer projects.**



**Source:** MSA (2021)



### **8.3.2 Zambezi Project Deposit type and Model**

Due to the similarities in geological setting between the Zambezi Supracrustal lithologies in the Zambezi project area to that of the Central African Copperbelt (the Zambezi is regarded as equivalents of the Roan Group) similar copper deposit types and models are proposed for this area. In addition to the copper mineralisation hosted within the Chongwe Copperbelt, additional gold mineralisation is known at the Chumbwe Gold prospect to the west of the project area.



## **9 RECENT EXPLORATION**

As at the effective date of this report, there has been no exploration conducted by African Pioneer on the projects forming the basis of this report.



## 10 SAMPLE PREPARATION, ANALYSES AND SECURITY

### 10.1 Historical Sampling and Preparation

#### 10.1.1 Namibian Projects

##### 10.1.1.1 ***Ongombo and Ongeama***

No information is available on the historical sampling completed at the Ongombo and Ongeama Projects apart from the sampling completed by Namibian Copper at Ongombo which is detailed below.

###### **10.1.1.1.1 Ongombo Historical Exploration**

No sampling data are available from historical exploration companies, except for data from Namibian Copper.

###### **10.1.1.1.2 NCO Ongombo**

NCO completed sampling in two phases, namely sampling of two diamond drillholes completed in 2007 and resampling of historical drillcore from the Geological Survey of Namibia.

###### *A. NCO drill programme 2007*

Bagged samples of split drill core were dispatched by the drilling management consultants Geomine Consulting Namibia to the Genalysis labs in Joburg by courier for preparation and the pulps air freighted to the Genalysis laboratory in Perth, Australia. Preparation in Johannesburg consisted of jaw crushing the whole sample followed by pulverizing to a 120 g pulp. Copper, zinc and silver was determined by ore grade four acid digestion followed by optical emission spectrometry (Genalysis Method code AX/OES). Gold was determined by 25 g fire assay (Genalysis Method code FA25/AAS). The detection limits for Cu, Zn and Au is 10ppm and for Ag it is 0.01ppm. No quality control programme was instituted by NCO, and only the laboratory quality control procedures were followed.

###### *B. Historical drillcore resampling by NCO*

The following approach was adopted (Body pers comm, 2021)

- For sampling and assay, quarter core was used and sent to the Genalysis Johannesburg laboratory for crushing and pulverizing
- Assays were carried out at the Genalysis, Perth laboratory
- Sample preparation procedures were Genalysis standard preparation procedures
- Assays were conducted by 4-acid digest with OES finish for base metals, silver and Fire Assay/AAS for gold. No assays for iron or sulphur were done
- Quality control samples consisted of 2 standards of low and medium grade, one blank and one duplicate per sequence of 20 samples



- All quality control result returneds within appropriate limits and the assay methods were considered appropriate to the style of mineralization
- The results were similar to the historical results within the statistical limits for this type of mineralization.

### **10.1.2 Botswanan Projects: Subject to Conditional Botswana Licence Sale Agreement**

No historical sampling has been completed on the African Pioneer Botswana projects.

### **10.1.3 Zambian Projects**

#### **10.1.3.1 Central African Copperbelt**

##### **10.1.3.1.1 Luamata South**

###### *A. MSA soil sampling*

The planned surface sampling programme initially consisted of 6132 samples on a regional grid of 400 x 400 m spacing. Only two planned samples were not collected due to their location plotting within the West Lunga River, which flows northeast to southwest through the licence. Whenever a termite mound occurred within 50 m from the planned sample position, preference would go to sampling the termite mound. A total of 6159 samples were collected excluding field duplicates. Including duplicates, a total of 6358 soil and termite mound samples were collected. Of this, 5364 soil samples were collected from the B horizon, 2 soil samples from the A horizon, 7 soil samples from the C horizon. A total of 957 samples were collected from termite mounds. Sampling and sample processing were conducted on site per the MMG Work Instruction/Standard Operating Procedure. Samples were ideally collected from the B horizon, however, when this was not possible, the A or C horizon was sampled and recorded. The A horizon was typically collected in areas where the soil profile is poorly developed, whereas samples were typically collected from the C horizon in dambos, where the organic layer was more than 50 cm thick.

Termite mound samples were taken from slots cut into the mound, at a height of approximately 1.5 m. Four slots are cut at 90° intervals around the termite mound. At camp, all samples were dried in the sun, sieved and packaged on site before they were analysed by the Innov-X pXRF device. Rock grab samples were collected wherever outcrop, rock float and sub-crop were visible at various locations within the licence. A total of 179 rock samples were collected across the licence. The southwestern portion of the licence showed substantially more outcrop relative to the rest of the sampling area. Moreover, Kalahari Sand cover increased eastward in the sampling area. Consequently, most of the rock samples were sourced from the western and southwestern portion of the licence.

A Cu Index was created by normalising elements that correlate with Cu. For large datasets such as this, moderate to weak correlations are also investigated. These elements include Ag, As, Bi, Co, Mo, Pb and Zn. This index aims to identify potential copper anomalies by means of multi-element



support, in the event copper has been leached out. It also aims to discriminate against false anomalies, often in the event of a copper only anomaly that is not supported by multi-element geochemistry. Conversely, copper anomalies with co-incident multi-element anomalies are interpreted to be more robust indicators of buried mineralised systems and are ranked positively. anomalous copper correlates well with the Cu Index across Target B, C, D as well as a moderate correlation observed within Target A. Target E and F, which make up a broad anomaly contains proxy elements within the centre of the anomaly. A possible anomalous zone, not previously identified by copper and indicates that the potential for copper mineralisation at depth. This anomaly should not be disregarded and is considered more important than copper-only anomalies. This zone also loosely follows folded lithologies, as seen in the magnetic imagery, and could be related to Target D.

#### **10.1.3.1.2 Other Central African Copperbelt PLs**

Of the three additional African Pioneer Group licences within the African Copperbelt project area, only HQ-LEL 27770 (Samuteba) received soil geochemical surveys. Anglo (2019) notes that 3,067 samples were collected on Samuteba and analysed using handheld (pXRF). No details are available on sample collection or preparation prior to analyses.

#### **10.1.3.2 Zambezi Project**

No historical sampling has been completed on the Zambezi project.

### **10.2 Recent Sampling and Preparation**

No recent sampling has been conducted by African Pioneer on the licenses forming the basis of this report.

### **10.3 Analytical Methods Used**

No information is available on analytical methods used in historical soil or drillhole sampling.



## **11 DATA VERIFICATION**

### **11.1 Mineral License Ownership Verification**

The present status of licences listed in this report is based on information and copies of documents provided by African Pioneer and the report has been prepared on the assumption that the licences will prove lawfully accessible for evaluation. For the purpose of this report, MSA has relied on the license documents provided by African Pioneer, but has completed a verification investigation at the online cadastre systems for Namibia (<http://portals.flexicadastre.com/Namibia/>) and on the online cadastre system (<https://portals.landfolio.com/zambia/>) for mineral licenses in Zambia. These online systems are updated daily to reflect the current mineral license activities in each country. No such online licensing system is available for the country of Botswana and the CP made use of provided license documentation for license status in Botswana. Both the online systems reflect the information as provided by African Pioneer for the mineral licenses in Namibia and Zambia.

### **11.2 Exploration Completed**

The CP of this report is unable to verify the exploration completed to date by various historical companies on the projects forming the basis of this report. However, the historical reports, which comprise a number of maps, datasets and associated information, has been perused and data plotted and investigated by the CP and noted within appropriate sections of this report. Some of the datasets were re-plotted and investigated for verification purposes for example:

- Drilling completed on the Ongombo Project
- Ongombo Project Mineral Resource Estimate

### **11.3 Field visits**

Site visits by the Competent Person (Nico Scholtz) were not completed to all Projects noted in this report. Nico Scholtz has, however, visited the Ongombo Project in Namibia on 10 August 2017 and on the Limpopo Mobile Belt Projects in Eastern Botswana between 10 and 20 July 2010.

#### **11.3.1 Ongombo Project Field Visit**

During the Ongombo site visit, drillcore drilled by Manmar Investments was investigated and drill collar locations visited and verified. The area hosting the Ongombo project was visited by the CP and its limited outcrop (confined to the gossan) was confirmed.

#### **11.3.2 Limpopo Project Field Visit**

During the Limpopo project site visits, the area hosting the African Pioneer projects was visited by the CP and its limited outcrop was confirmed.



## **12 MINERAL PROCESSING AND METALLURGICAL TESTING**

No mineral processing or metallurgical testing has been completed on any of the African Pioneer Projects in Namibia, Botswana or Zambia.

### **12.1 Namibian Projects**

#### **12.1.1 Ongombo Project**

Ongombo is geologically similar to the Otjihase and Matchless mines in respect of overall mineralogy and metallurgical processing of the sulphide material is expected to have similar requirements. No recent metallurgical testwork has been undertaken on Otjihase mine ore, and no work has been completed on the Ongombo project.



## **13 MINERAL RESOURCE ESTIMATES**

No current JORC 2012 compliant Mineral Resources exist for any of the African Pioneer Projects forming the basis of this report.

## **14 MINERAL RESERVE ESTIMATES**

No Mineral Reserve estimates have been completed for the Projects forming the basis of this report.



## **15 MINING METHODS**

No current mining method studies have been completed on any of the African Pioneer Projects in Namibia, Botswana or Zambia.

## **16 RECOVERY METHODS**

No recovery method tests have been completed on any of the African Pioneer Projects in Namibia, Botswana or Zambia.

## **17 PROJECT INFRASTRUCTURE**

Project infrastructure has been described in section 5.5 of this report.

## **18 MARKET STUDIES AND CONTRACTS**

There are no market studies or contracts yet for the projects forming the basis of this report.



## **19 ENVIRONMENTAL STUDIES, PERMITTING AND SOCIAL OR COMMUNITY IMPACT**

### **19.1 Namibian Projects**

An Environmental Clearance Certificate has been issued for EPL 5772 and EPL 6011 on 8 May 2017, which was valid for a period of three years and provided for legal access and associated exploration works on the property as stipulated within the Environmental Management Plan completed by Envirodynamics out of Windhoek. The CP of this reports has been informed that the Environmental Clearance Certificate is currently being renewed. No other permitting or social and community impacts have been completed.

### **19.2 Botswanan Projects: Subject to Conditional Botswana Licence Sale Agreement**

No environmental or social studies have been completed for the projects in Botswana.

### **19.3 Zambian Projects**

No environmental or social studies have been completed for the projects in Zambia.

## 20 CAPITAL AND OPERATING COSTS

No current capital and operating cost studies has been completed on any of the African Pioneer Projects in Namibia, Botswana or Zambia.

## 21 ECONOMIC ANALYSIS

No current economic analysis has been completed on any of the African Pioneer Projects in Namibia, Botswana or Zambia.

## 22 ADJACENT PROPERTIES

### 22.1 Namibian Projects

Additional prospects on the Matchless Belt include the AIM listed Weatherly International owned Otjihase project located 30 km to the northeast of Windhoek (Table 22-1). The Otjihase project comprises two underground mines (Otjihase and Matchless) and an 800 ktpa copper concentrator (on care and maintenance due to low commodity prices). The operations were in production until September 2015, producing high quality concentrate sought after for blending (Weatherly International, 2018; Killick, 2000).

**Table 22-1**  
**Other significant prospects (Otjihase) on the Matchless Belt with JORC (2012) Resource and Reserve estimates**

Prospect	Resource				Reserve		
	Inferred	Indicated	Measured	TOTAL	Probable	Proved	TOTAL
Otjihase <sup>1</sup>		Unavailable		8.8 Mt @ 1.8% Cu		Unavailable	2.2Mt @ 1.5% Cu

**Note:** <sup>1</sup> Otjihase Resource and Reserves calculated by Weatherly International (Oct 2014) (JORC 2012 compliant). (Note: The CP of this report does not have information pertaining to methods used to calculate these resources).

A comparison between the Ongombo Project and the Otjihase and Matchless mines is shown in Table 22-2.

**Table 22-2**  
**Comparative table for Ongombo, Matchless and Otjihase projects**

Table 22-2 Comparative Table (after Goldberg, 1976)			
Feature	Ongombo Mine	Matchless Mine	Ongombo Deposit
Strike	N 77° E	N 70° E	N 44° E
Dip	10° NW	30° NW	10-15° NW
Pitch of Shear	NW at 15°	NW at 30°	NE-SE at 7° East of NNE at 10°
Length (km)	~6km		~8km
Width	50-60m, 4-5 spot checks, much thicker		200-300m each East and Central Shear
Thickness	10-70m avg. 2.5-3.5		50cm-1m avg. 1-3m
Min. Ore Body	Blended magnetic quartzite	Blended magnetic quartzite and amphibolite	Blended magnetic quartzite
Principal Ore Rocks	Leucocratic schists	Leucocratic schists and amphibolite	Leucocratic schists
Min. Sulphides	Pyrite, chalcopyrite	Pyrite, chalcopyrite, pyrrhotite	Pyrite, chalcopyrite
Ore	Sulphide (pyrite)	Sulphide (pyrite)	Sulphide (pyrite)
Leuc.	Extremely rare galena	Extremely rare galena	Extremely rare galena
Bonite	Extremely rare	Extremely rare	Extremely rare
Ni Content	Average 2.1%	Average 1.10-2.1%	Average 0.2-1%
Chal. Content	Average 8.18g/t	Average 8.9g/t	Average 8.9g/t
Quartz Grade	Abundant in all mineral ore bodies	Massively abundant	Massively abundant
Massive Sulphides	Thick bands common in ore shear	Uncommon. One in massive disseminated sulphides, locality in high concentration	Uncommon, very massive and disseminated in sulphides
Geofolds	Generally on West Limpopo zone	One for west limb of northward fold as much as 10m away	Unknown
Apparent Ore control in Embayment	Shear and fissure, involving sheet reworking of this ore mineral	Shear and fissure, and possibilities of thin, discontinuous body in relation to sulphide	Unknown and fissure, reworking and remobilisation of the ore bodies (assumption)
Number of Known Ore shear	1 major, 9 minor, 2 very small	14	All recent
Placers	Processor of orebody (E end)	Large	Large

**Source:** Killick (2000) and Goldberg (1976)

## 22.2 Botswanan Projects: Subject to Conditional Botswana Licence Sale Agreement

### 22.2.1 Kalahari Copperbelt Project

The Kalahari Copperbelt projects are located within a similar geological setting to the projects of MOD Resources and Cupric Canyon.

- Zone 5 – Measured, indicated and Inferred Resources of 91.7 Mt at 2.13 % Cu and 21.9 g/t Ag; Proven and Probable Reserves of 30.4 Mt at 2.03 % Cu and 19.5 g/t Ag (Cupric Canyon, 2020)

### 22.2.2 Limpopo Mobile Belt Project

The area to the east and south of Francistown, eastern Botswana hosts a number of intrusive magmatic Ni-Cu-(PGE) sulphide deposits. Several of the deposits are of considerable economic interest, including the Phoenix, Selebi-Phikwe and the Selkirk ore bodies. The deposits are of variable size including:

- 31 Mt of ore (1.36% Ni, 1.12% Cu) at Phikwe and,
- 0.6 Mt of ore (1.2% Ni, 0.6% Cu) at Tekwane.

## 22.3 Zambian Projects

### 22.3.1 Central African Copperbelt Project

The geology within the African Pioneer projects predominantly comprises supracrustal rocks of the Nguba Group and Kundulungu Group sediments. Although exact stratigraphic placement of these lithologies is difficult, mostly due to the structural complexity of the area and limited outcrop, the regional geological setting of the area points towards similarities with the Ivanhoe Mines Ltd Kamoa deposit in the nearby DRC.



### **22.3.2 Zambezi Project**

The Zambezi Project is located within a similar geological setting and adjacent to the ex-Zambezi Resources Chumbwe copper-gold project. Previously prospecting by Zambezi Resources included rock chip sampling, soil sampling and 45 RC drillholes and 3 diamond drillholes. Best results include:

- 7m @ 5.20g/t Au
- 2m @ 53.8g/t Au
- 3m @ 3.55 g/t Au
- 3m @ 1.91g/t Au



## **23 OTHER RELEVANT DATA AND INFORMATION**

For the purpose of this report, the CP has relied on the legal opinion received from HD Bossau and Co. in Namibia as well as Armstrongs attorneys in Botswana as well as Bemvi Associates in Zambia. The license documents and the agreement between parties. No other relevant data or information is applicable.

## 24 INTERPRETATION AND CONCLUSIONS

The MSA Group has been commissioned by African Pioneer PLC ("African Pioneer") to provide a Competent Persons Report ("the Report" or "CPR") on African Pioneer Projects, located in the Republics of Namibia, Botswana and Zambia.

### 24.1 Namibian Projects

#### 24.1.1 Ongombo and Ongeama Projects

A number of historical drillholes have been completed on the Ongombo and Ongeama Projects. The results of this work highlight the fact that the geology and mineralisation of the Ongombo Central Shoot, to the extent that it has been drilled, is reasonably well understood. The geology and mineralisation of the East/Ost Shoot is less well defined. Additional work is recommended to define the boundaries of the East/Ost Shoot and higher-grade areas as well drilling the potential extension of the Central Shoot (Figure 24-1).

**Figure 24-1**

**Infill drilling needed on the East/Ost Shoot on at least 100 m spacing (current line spacing is up to 250 m) to better define the East/Ost Shoot's geological boundaries**



**Source:** Vendor

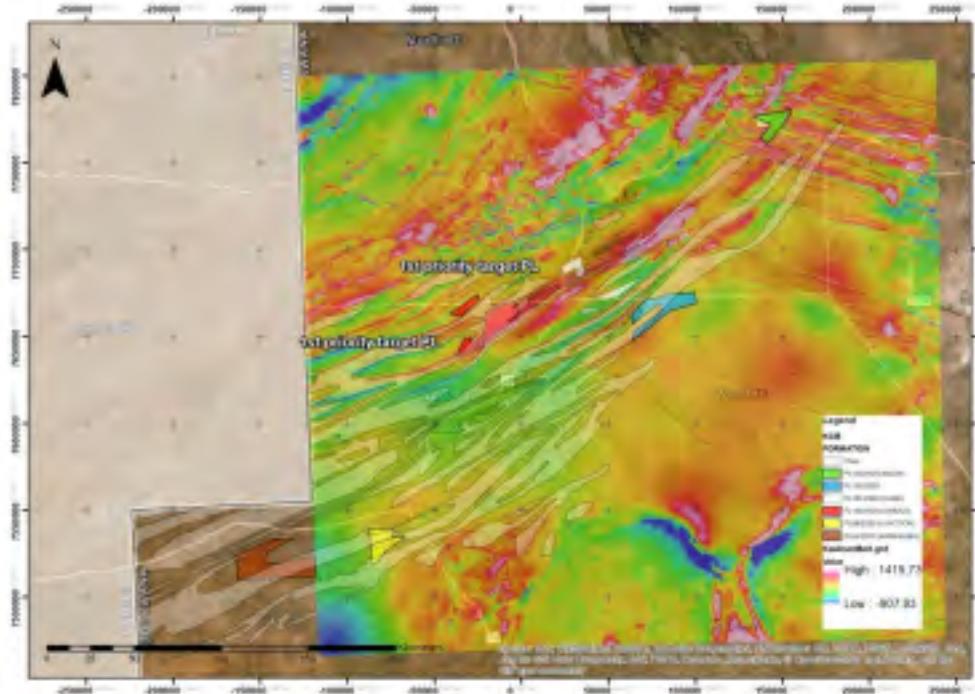
## 24.2 Botswanan Projects: Subject to Conditional Botswana Licence Sale Agreement

### 24.2.1 Kalahari Copperbelt Project

Although limited work has been done on the African Pioneer projects, the setting within the prospective D'kar Formation sediments and proximity and similar geological setting to that of the copper projects of Sandfire Resources (who acquired MOD Resources by a scheme of arrangements in October 2019) and Cupric Canyon, provides good potential for copper-silver mineralisation on the African Pioneer projects. Due to the lack of outcrop, geophysical methods (i.e. magnetic surveys for interpreted geological mapping as well as induced polarisation surveys to detect disseminated sulphides) are recommended to enhance target generation (Figure 24-2 and Table 24-1).

Airborne magnetic data are available from the Botswana Geosciences Institute ("BGI") and geophysical interpretation is recommended to provide initial target areas for ground follow up (All data is Total Magnetic Intensity reduced to pole - RTP). Such target generation should focus on delineating the prospective D'Kar Formation, which is regarded as the ore zone for the copper mineralisation within the Kalahari Copperbelt.

**Figure 24-2**  
**Investigation of the regional airborne magnetic data of the Kalahari Copperbelt area hosting the African Pioneer projects (All data is Total Magnetic Intensity reduced to pole – RTP)**



**Source:** Vendor

**Table 24-1**

**An investigation by Lehman *et al.* (2015) into the magnetic properties of lithologies units in the Kalahari Copperbelt has shown that the prospective D'Kar Formation has below tabled following properties**

Unit	Lithological Properties	Aeromagnetic Properties
D'kar	Reduced facies. Siltstone and mudstone interbedded with sandstone and limestone. Monoclinic pyrrhotite and magnetite at the base and within the unit.	TMI – elongate texture, high intensity, moderate to high frequency. Magnetic margins well defined
		RTP FVD – Sublinear texture, positive high intensity and medium to high frequency anomaly. Highly magnetic basal contact
		RTP THDR – Sublinear texture, positive high intensity and high frequency anomaly

**Source:** Lehman *et al.* (2015)

A preliminary investigation and ranking of the African Pioneer PLs on the Kalahari Copperbelt by the CP of this report taking historical mapping and airborne magnetic data from the BGI into consideration is shown in Table 24-2. The highest ranked PLs 100/2020 and 101/2020 are along strike of Cupric Canyons's Zone 5 deposit (100 Mt @ 1.95% Cu and 20g/t Ag).

**Table 24-2**  
**Ranking of African Pioneer PLs on the Kalahari Copperbelt**

Rank	Licence No.	Licence Name	D'Kar Formation Mapped Historically	Airborne Magnetic Data Comment
1	PL100/2020	Ghanzi	Yes	Available magnetic data shows possible D'Kar formation on southern part of PL.
2	PL101/2020	Kuke	No	Available magnetic data shows possible D'Kar formation on northern part of PL.
3	PL98/2020	Junction	Yes	Available magnetic data does not show D'Kar Formation characteristics.
4	PL102/2020	Kalahari	Yes	Available magnetic data does not show D'Kar Formation characteristics.
5	PL103/2020	Maun	No	Available magnetic data does not show D'Kar Formation characteristics.
6	PL96/2020	Karakubis	Yes	Available magnetic data does not cover PL.

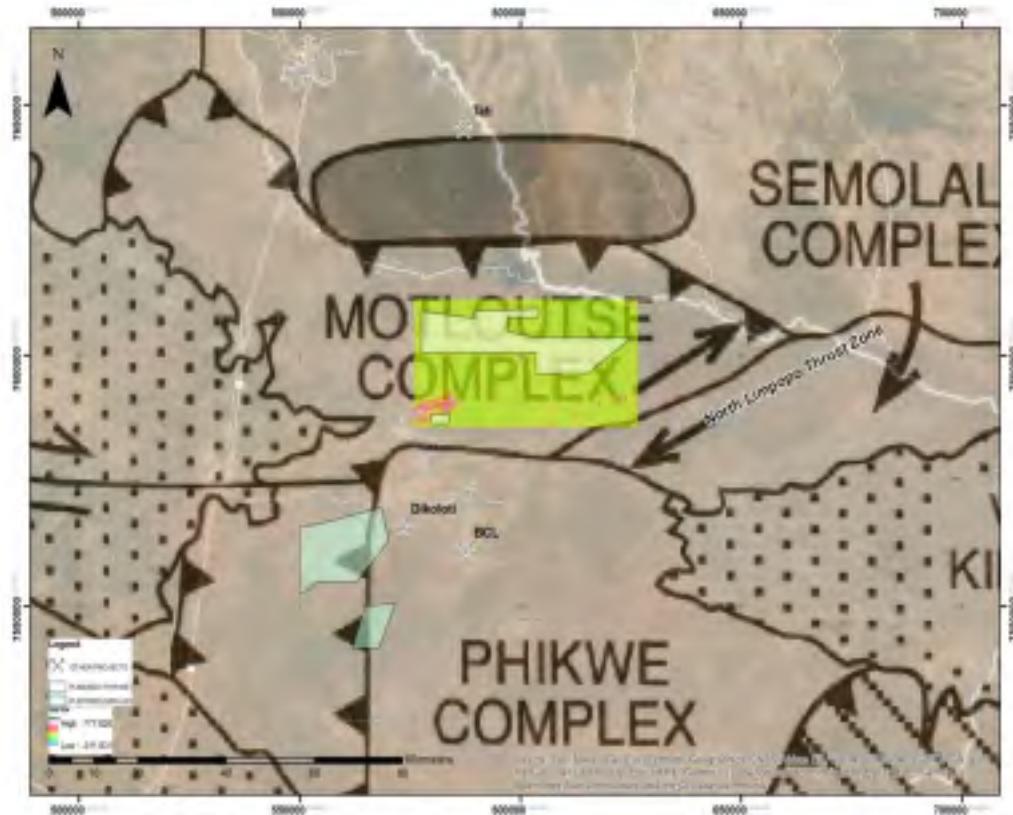
**Source:** MSA (2021)

#### 24.2.2 Limpopo Project

Similarly to the Kalahari Copperbelt Projects, the Limpopo Projects have received limited previous work, but are located within a prospective geological setting akin to that of the Phikwe Mine, which provides good potential for nickel (and copper) mineralisation within the Project areas. The area is more prone to outcrop and detailed geological mapping should assist in preliminary target generation. In late 1989, a *GEOTEM™* survey for groundwater exploration was flown in eastern Botswana with flight lines spaced at 300 m and oriented 165/345 degrees true north. The average flight altitude was 130 m for aeromagnetics and 50 m for electromagnetics. African Pioneer has acquired GeoTiff maps of the EM data covering the Limpopo Area (Figure 24-3).

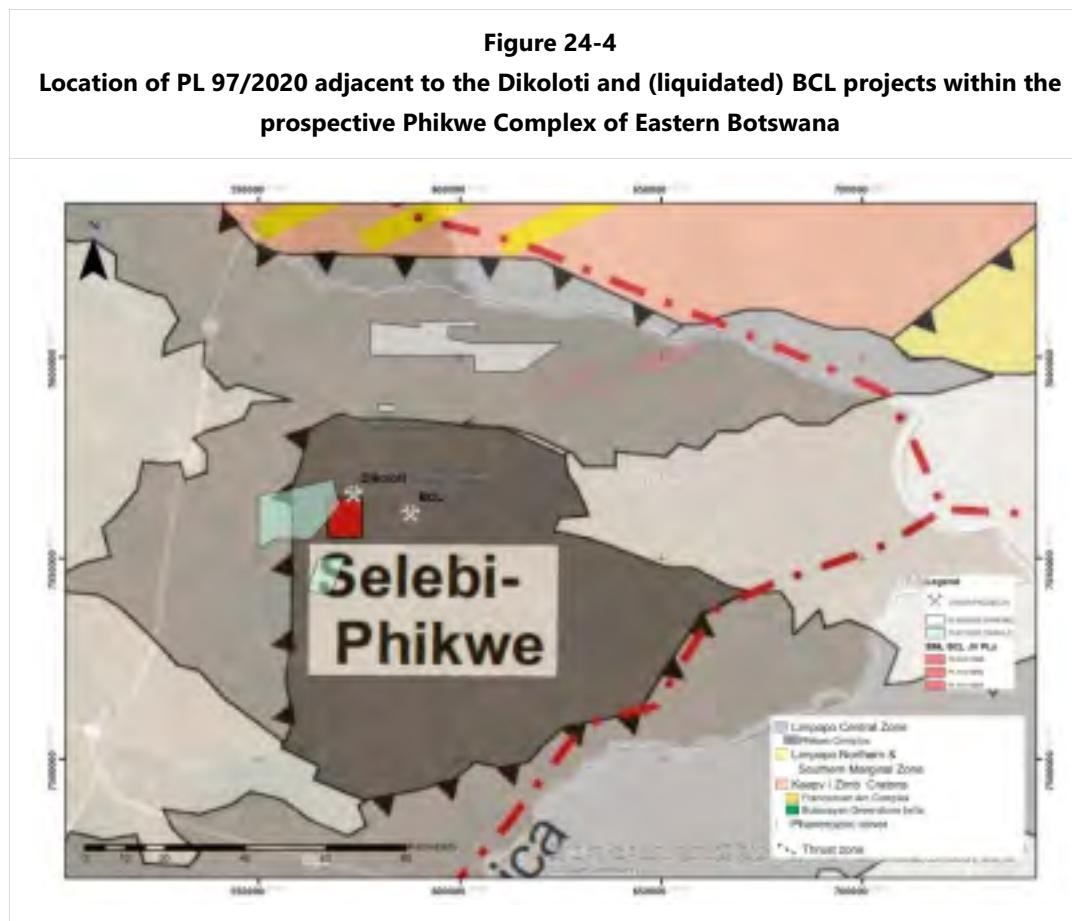
Although the data obtained covers only PL 99/2020 and does not provide any definite EM response target areas, the fairly wide line spacing results in possible target areas being missed and ground follow up and associated mapping is recommended.

**Figure 24-3**  
**Electromagnetic imagery covering PL 99/2020 in the Limpopo Project area**



**Source:** Vendor

Of the two Limpopo licenses, the southern portion of PL 99/2020 is regarded as prospective, based upon an EM anomaly associated with the North Limpopo Thrust Zone ("NLTZ") (Figure 24-3). Although no EM data are available for PL 97/2020, the setting of the licenses adjacent to the (liquidated) BCL and Dikolot projects has resulted in regional data being available. As such Maier *et al.* (2015) have provided information that shows the location of PL 97/2020 as part of the prospective Phikwe Complex (Figure 24-4).



**Source:** MSA (2021)

## 24.3 Zambian Projects

### 24.3.1 Central Africa Copperbelt Project

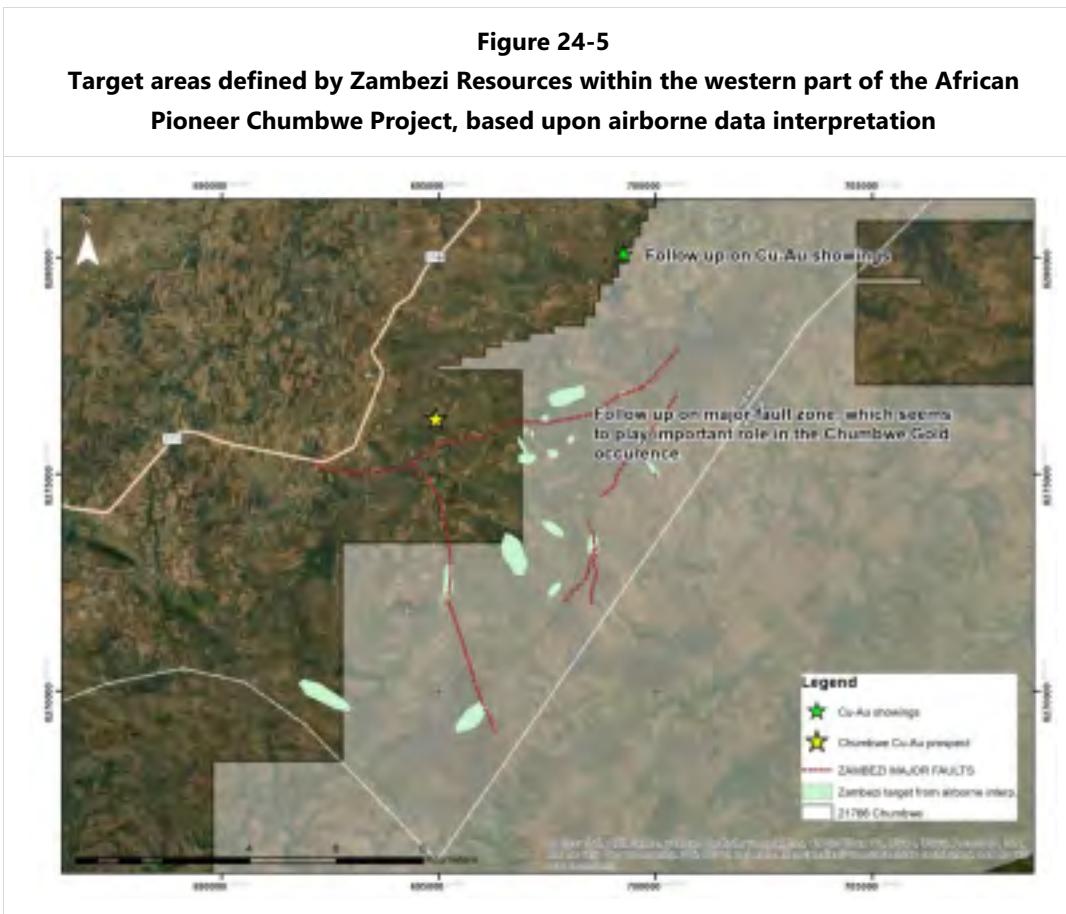
The Luamata South license is regarded as the main target area within the Central African Copperbelt license portfolio. A number of target areas have been delineated by MSA using soil geochemistry and geological mapping. Of these generated targets, Target H within the northeastern part of the license remains the highest priority target. This target also has elevated Zn-Pb-Mo associated with high Cu and is observed extending beneath Kalahari cover in its northeastern extent. It is situated around a small-scale copper mining concession within a structurally complex zone. Follow up work is recommended.

Additional mineralisation potential on the African Pioneer Copperbelt Projects include a "Shaba-Type" Cu-Co deposit, after the Shaba deposit in Kolwezi, DRC, documented approximately 20 km south of the town of Mwinilunga (Steven 2000), situated a few kilometres west of the African Pioneer Luamata South licence. Copper within Shaba-type deposits is hosted by Mines Group sedimentary rocks of the Roan Group surrounded by Kundulunqu sediments.

The historical work completed by Anglo on HQ-LEL 27770 showed prominent copper in soil anomalies associated with possible Roan Group lithologies, requiring ground truthing and associated mapping follow up work.

### 24.3.2 Zambezi Project

Copper-gold anomalies within the northwestern part of the license (adjacent to the Chumbwe prospect) should receive follow up work. Target areas defined by Zambezi Resources are shown in Figure 24-5.



**Source:** Zambezi Resources (2007)

### 24.4 Risks Associated with Proposed Exploration Activities

Risks pertaining to the various African Pioneer projects are mainly geological, especially within the earlier stage projects in Botswana where limited work has been completed. Similarly, the Zambia Projects, although being regarded as more advanced, have not received any meaningful drill programme investigation and surface geological results may not extend in depth. The Ongombo (and to a lesser extent Ongeama) projects in Namibia are regarded as the flagship projects of African Pioneer due to their more advanced exploration status.

### 24.5 Conclusions

African Pioneer will aim to raise sufficient working capital to ensure at least 18 month of field operations on the projects noted in this CPR. The funds raised on Admission are understood by MSA to be committed to the exploration and assessment of African Pioneer's mineral properties in



Namibia, Botswana and Zambia. MSA considers the Projects to have sufficient geological merit to justify the proposed work programmes and associated expenditures. It is however, logical and prudent that those less prospective areas are progressively relinquished as the results of the 18 months' of work are progressively interpreted.



## 25 RECOMMENDATIONS

MSA considers that the Projects forming the basis of this report have sufficient geological merit to justify the proposed exploration work programmes and associated expenditures as described within this section. These exploration work programs and budgets were compiled by the CP based upon experience in the various regions.

The exploration work programmes recommended by the CP as presented in the CPR reflects the CP's informed judgement based on accepted standards of professional investigation but is subject to generally recognised uncertainties associated with the interpretation of geological, geochemical, geophysical and subsurface data. It should be understood that any evaluation, particularly one involving exploration and future minerals developments, may be subject to significant variations over short periods of time as new information becomes available.

### 25.1 Namibian Exploration Budget and Recommendations

#### 25.1.1.1 *Ongombo and Ongeama*

The Ongombo and Ongeama project areas have received detailed work over the past decades. Additional work is planned to ultimately lead to a JORC compliant Mineral Resource.

The geology of the Central Shoot is reasonably well understood, whereas the geology of the East/Ost Shoot is less well defined. Additional drilling is therefore required to define the boundaries of the East/Ost Shoot and higher-grade areas as well as the extension of the Central Shoot. In addition, the locations of faults that might break the deposit up as seen at Otjihase are not known. Some of these faults are likely to be water bearing and special consideration will need to be made should these deposits ultimately be developed. Detailed ground geophysical survey interpretation and diamond drilling is needed to define such fault compartments.

#### 25.1.1.2 *Months 1 to 12 (Phase 1) (Ground work)*

Phase 1 aims to determine, through a reverse circulation ("RC") and diamond drilling ("DD") programme, the geological controls of mineralisation within the East/Ost Shoot at Ongombo as well as to drill the possible extensions of the Central Shoot and define its boundaries. Similar ground work and drilling is recommended for the Ongeama Project.

- Ground work:
  - Soil sampling, trenching, geological mapping and geophysical data interpretation (mostly over Ongeama Project).
  - Detailed magnetic ground surveys (mostly over Ongeama Project).
- Drill target definition based upon geophysical and geochemical target generation.

### 25.1.1.3 Months 12 to 18 (Phase 2) (Drilling)

- RC drilling and diamond drilling on target areas generated during Phase 1.
- Drilling should focus on potentially extending mineralised areas at Ongombo, but also to define known mineralisation at Ongeama.

### 25.1.2 Namibia Exploration programme budgets

<b>Table 25-1</b> <b>Eighteen month minimum in-country Exploration Budget for the Ongombo and Ongeama Projects in Namibia</b>			
<b>Months 1 to 12 (All costs in USD)</b>			
<b>Planned Minimum Activity</b>	<b>Ongombo</b>	<b>Ongeama</b>	<b>Total</b>
Environmental and social investigations	5296	5296	10592
Geophysical data interpretation for target generation	2648	2648	5296
Trenching/pitting, soil sampling and mapping on completion of above	0	15889	15889
Target generation for follow up with ground geophysical surveys	0	2648	2648
Ground magnetic surveys on targets generated by geochemical surveys	0	5296	5296
Data collation and review for target refinement	0	2648	2648
Geologist and technician costs for active work time	22774	22774	45547
Sundries and accommodation for active work time	22774	22774	45547
<b>Sub Total (Year 1)</b>	<b>53492</b>	<b>79973</b>	<b>133464</b>
<b>Months 12 to 18 (All costs in USD)</b>			
<b>Planned Minimum Activity</b>	<b>Ongombo</b>	<b>Ongeama</b>	<b>Total</b>
RC drilling (USD 100 / meter)	31777	31777	63554
DD Drilling (USD 250 / meter)	39722	39722	79443
Modelling and reporting	7944	7944	15889
Geologist and technician costs for active work time	7944	7944	15889
Sundries and accommodation for active work time	7944	7944	15889
<b>Sub Total (Year 2)</b>	<b>95332</b>	<b>95332</b>	<b>190663</b>
<b>Subtotal for 18 Months</b>	<b>148823</b>	<b>175304</b>	<b>324127</b>
<b>Contingency</b>	<b>14882</b>	<b>17530</b>	<b>32412</b>
<b>TOTAL FOR 18 MONTHS</b>	<b>163705</b>	<b>192835</b>	<b>356540</b>

### 25.2 Botswana Exploration Budget and Recommendations (Botswanan Projects are subject to Conditional Botswana Licence Sale Agreement)

The CP has designed an 18-month (1 phase) work programme for each of the Botswana project areas. This initial exploration work programme includes geochemical and geophysical surveys but does not include drilling. Due to the number of African Pioneer projects in the country, Phase 1 work will be limited to reconnaissance followed by more detailed ground work. Upon completion



of the Conditional Botswana Licence Sale Agreement the purchaser (Sandfire) will assume responsibility for the exploration budget of the Botswana Projects and has committed to US\$1,000,000 of exploration expenditure within two years of completion of the Conditional Botswana Licence Sale Agreement. If the Conditional Botswana Licence Sale Agreement does not complete by its long stop date of 30 September 2021 (or such later date as agreed by the parties) then African Pioneer will remain responsible for the Exploration Budget of the Botswana Projects.

### 25.2.1 Months 1 to 18 (Phase 1) (Groundwork)

Phase 1 aims to define drill collar positions through the following active work.

- Soil sampling, trenching, geological mapping and geophysical data interpretation
- Magnetic and induced polarisation (IP) and/or electromagnetic ground geophysical surveys.

### 25.2.2 Botswanan Exploration Programme Budgets

<b>Table 25-2</b> <b>Eighteen month minimum in-country Exploration Budget for the Kalahari Copperbelt and Limpopo Mobile Belt Projects</b>			
<b>Months 1 to 18 (All costs in USD)</b>			
<b>Planned Minimum Activity</b>	<b>Kalahari</b>	<b>Limpopo</b>	<b>Total</b>
Environmental and social investigations	5291	2653	7944
Geophysical data interpretation for target generation	5291	2653	7944
Trenching/pitting, soil sampling and mapping on completion of above	15889	5296	21185
Target generation for follow up with ground geophysical surveys	5291	2653	7944
Ground magnetic surveys on targets generated by geochemical surveys	12711	3178	15889
Data collation and review for target refinement	5291	2653	7944
Geologist and technician costs for active work time	22774	22774	45547
Sundries and accommodation for active work time	22774	22774	45547
<b>Subtotal</b>	<b>95310</b>	<b>64635</b>	<b>159945</b>
RC drilling (USD 100 / meter)	0	0	0
DD Drilling (USD 250 / meter)	0	0	0
Modelling and reporting	0	0	0
Geologist and technician costs for active work time	0	0	0
Sundries and accommodation for active work time	0	0	0
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Subtotal for 18 Months</b>	<b>95310</b>	<b>64635</b>	<b>159945</b>
<b>Contingency</b>	9531	6463	15995
<b>TOTAL FOR 18 MONTHS</b>	<b>104841</b>	<b>71098</b>	<b>175939</b>



### **25.3 Zambian Exploration Budget and Recommendations**

The CP has designed an 18-month (2 phases) work programme for each of the Zambian projects.

#### **25.3.1 Months 1 to 12 (Phase 1) (Groundwork)**

Phase 1 aims to determine, through a RC and DD programme, the geological controls of mineralisation in the highest priority target areas. Such priorities will be determined during Phase 1 for both the Copperbelt and Zambezi Project areas.

- Groundwork:
  - Soil sampling, trenching, geological mapping and geophysical data interpretation where available.
  - Magnetic and Induced Polarisation (IP) ground surveys. Line spacing can only be determined after initial ground work has been completed.
- Drill target definition based upon geophysical and geochemical target generation.

#### **25.3.2 Months 12 to 18 (Phase 2) (Drilling)**

RC drilling and diamond on target areas generated during Phase 1 work programme.

### 25.3.3 Zambia Exploration Programme Budgets

**Table 25-3**  
**Eighteen month minimum in-country Exploration Budget for the Zambia projects**  
**description**

<b>Months 1 to 12 (All costs in USD)</b>			
<b>Planned Minimum Activity</b>	<b>Copperbelt</b>	<b>Zambezi</b>	<b>Total</b>
Environmental and social investigations	10582	5307	15889
Geophysical data interpretation for target generation	5291	2653	7944
Trenching/pitting, soil sampling and mapping on completion of above	10582	5307	15889
Target generation for follow up with ground geophysical surveys	1058	531	1589
Ground magnetic surveys on targets generated by geochemical surveys	15889	5296	21185
Data collation and review for target refinement	5291	2653	7944
Geologist and technician costs for active work time	22774	22774	45547
Sundries and accommodation for active work time	22774	22774	45547
<b>Sub Total (Year 1)</b>	<b>94240</b>	<b>67295</b>	<b>161534</b>
<b>Months 12 to 18 (All costs in USD)</b>			
<b>Planned Minimum Activity</b>	<b>Copperbelt</b>	<b>Zambezi</b>	<b>Total</b>
RC drilling (USD 100 / meter)	15889	15889	31777
DD Drilling (USD 250 / meter)	19861	19861	39722
Modelling and reporting	3972	3972	7944
Geologist and technician costs for active work time	3972	3972	7944
Sundries and accommodation for active work time	3972	3972	7944
<b>Sub Total (Year 2)</b>	<b>47666</b>	<b>47666</b>	<b>95332</b>
<b>Subtotal for 18 Months</b>	<b>141905</b>	<b>114960</b>	<b>256866</b>
<b>Contingency</b>	<b>14191</b>	<b>11496</b>	<b>25687</b>
<b>TOTAL FOR 18 MONTHS</b>	<b>156096</b>	<b>126456</b>	<b>282552</b>



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## **APPENDIX 1: Glossary of Technical Terms**



## Glossary of Technical Terms

<i>Archaean</i>	The oldest rocks of the Precambrian era, older than about 2,500 million years.
<i>As</i>	Arsenic
<i>Au</i>	Gold
<i>Auriferous</i>	Gold rich
<i>basement</i>	The igneous and metamorphic crust of the earth, underlying sedimentary deposits.
<i>BWP</i>	Botswana Pula
<i>C\$</i>	Canadian dollar
<i>carbonate</i>	A rock, usually of sedimentary origin, composed primarily of calcium, magnesium or iron and CO <sub>3</sub> . Essential component of limestones and marbles.
<i>CIM</i>	Canadian Institute of Mining, Metallurgy and Petroleum
<i>conglomerate</i>	A rock type composed predominantly of rounded pebbles, cobbles or boulders deposited by the action of water.
<i>craton</i>	Large, and usually ancient, stable mass of the earth's crust comprised of various crustal blocks amalgamated by tectonic processes. A cratonic nucleus is an older, core region embedded within a larger craton.
<i>Cu</i>	Copper
<i>diamond drilling</i>	Method of obtaining cylindrical core of rock by drilling with a diamond set or diamond impregnated bit.
<i>dolomite</i>	A mineral composed of calcium and magnesium carbonate; a rock predominantly comprised of this mineral is also referred to as dolomite or dolostone.
<i>EPL</i>	Exclusive Prospecting License
<i>fault</i>	A fracture or fracture zone, along which displacement of opposing sides has occurred.
<i>fold</i>	A planar sequence of rocks or a feature bent about an axis.
<i>Formation</i>	A laterally continuous rock unit with a distinctive set of characteristics that make it possible to recognize and map from one outcrop or well to another.
<i>gangue</i>	Gangue is the commercially worthless material that surrounds, or is closely mixed with, a wanted mineral in an ore deposit.
<i>gossan</i>	An iron rich secondary rock usually the result of weathering of a sulphide rich ore zone
<i>granite</i>	A generic term for coarse grained felsic igneous rocks, including granite.
<i>greenfields</i>	Early stage exploration
<i>greenstone</i>	A low-grade metamorphic rock that frequently contains green minerals such as chlorite, epidote, and talc, often derived from the metamorphism of basalt, gabbro, or diabase.
<i>ha</i>	hectares
<i>HQ-LEL</i>	Exploration License – Large Scale
<i>ICP</i>	Inductively Coupled Plasma analytical technique
<i>induced polarisation</i>	Induced polarization (IP) is a geophysical imaging technique used to identify the electrical chargeability of subsurface materials
<i>joints</i>	Regular planar fractures or fracture sets in massive rocks, usually created by unloading, along which no relative displacement has occurred.
<i>JORC</i>	Australian Joint Ore Reserve Committee



<i>Ma</i>	Million years
<i>mafic</i>	Descriptive of rocks composed dominantly of magnesium and iron rock-forming silicates.
<i>magnetic survey</i>	Magnetic surveys record spatial variation in the Earth's magnetic field.
<i>Mesoproterozoic</i>	Middle Proterozoic era of geological time, 1,600 to 1,000 million years ago.
<i>metamorphism</i>	Alteration of rock and changes in mineral composition, most generally due to increase in pressure and/or temperature.
<i>MME</i>	Ministry of Mines and Energy
<i>N\$</i>	Namibian dollar
<i>oxidation</i>	A chemical reaction in which substances combine with oxygen. For example, the combination of iron with oxygen to form an iron oxide.
<i>Pb</i>	Lead
<i>pegmatite</i>	A coarse crystalline igneous rock usually formed in the late stages of granite crystalisation
<i>PL</i>	Prospecting license
<i>Precambrian</i>	Pertaining to all rocks formed before Cambrian time (older than 545 million years).
<i>Proterozoic</i>	An era of geological time spanning the period from 2,500 to 545 million years before present.
<i>QP</i>	Qualified Person
<i>RC drilling</i>	(Reverse Circulation) A percussion drilling method in which the fragmented sample is brought to the surface inside the drill rods, thereby reducing contamination.
<i>satellite positioning system (global positioning system GPS)</i>	An instrument used to locate or navigate, which relies on three or more satellites of known position to identify the operator's location.
<i>schist</i>	A crystalline metamorphic rock having a foliated or parallel structure due to the recrystallisation of the constituent minerals.
<i>sedimentary</i>	Sedimentary rocks are types of rock that are formed by the accumulation or deposition of small particles and subsequent cementation of mineral or organic particles on the floor of oceans or other bodies of water at the Earth's surface.
<i>stratigraphy</i>	A branch of geology concerned with the study of rock layers and layering. It is primarily used in the study of sedimentary and layered volcanic rocks.
<i>stream sediment sampling</i>	The collection of samples of stream sediment with the intention of analysing them for trace elements.
<i>strike</i>	Horizontal direction or trend of a geological structure.
<i>supergene</i>	Supergene processes or enrichment are those that occur relatively near the surface as opposed to deep hypogene processes. Supergene processes include the predominance of meteoric water circulation with concomitant oxidation and chemical weathering.
<i>Supergroup</i>	The supergroup consists of a sequence of geological units
<i>tectonic</i>	Pertaining to the forces involved in, or the resulting structures of, movement in the earth's crust.
<i>ultramafic</i>	Igneous rocks consisting essentially of ferromagnesian minerals with trace quartz and feldspar.
<i>XRF</i>	X-ray fluorescence
<i>ZK</i>	Zambian Kwacha



