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This Document comprises a prospectus relating to Kavango Resources plc (the “Company” or “Kavango”) prepared in accordance with the prospectus regulation rules of the Financial Conduct Authority (the “FCA”) made under section 73A of FSMA (the “Prospectus Regulation Rules”) 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 Rule 3.2 of the Prospectus Regulation Rules. This Document has been approved by the FCA, as competent authority under Regulation (EU) 2017/1129 (the “Prospectus Regulation”). The FCA only approves this Document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval shall not be considered an endorsement of the quality of the securities and the issuer that are the subject of this Document. This Document has been drawn up as part of a simplified prospectus in accordance with Article 14 of the Prospectus Regulation. Investors should make their own assessment as to the suitability of investing in the securities.

The Ordinary Shares currently in issue (“Existing Ordinary Shares”) are listed on the standard segment of the Official List and traded on the London Stock Exchange’s Main Market for listed securities.

Applications will be made to the FCA for all of the ordinary shares in the Company (issued and to be issued in connection with the Placing and the Subscription) (the “New Ordinary Shares”) to be admitted to the Official List of the FCA (the “Official List”) (by way of a standard listing under Chapter 14 of the listing rules published by the FCA under section 73A of FSMA as amended from time to time (the “Listing Rules”) and to the London Stock Exchange plc (the “London Stock Exchange”) for such New Ordinary Shares to be admitted to trading on the London Stock Exchange’s Main Market for listed securities (“Admission”). It is expected that Admission will become effective, and that unconditional dealings in the New Ordinary Shares will commence, at 8.00 a.m. on 7 December 2020.

THE WHOLE OF THE TEXT OF THIS DOCUMENT, AND DOCUMENTS INCORPORATED BY REFERENCE INTO THIS DOCUMENT, SHOULD BE READ BY PROSPECTIVE INVESTORS. YOUR ATTENTION IS SPECIFICALLY DRAWN TO THE DISCUSSION OF CERTAIN RISKS AND OTHER FACTORS THAT SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE ORDINARY SHARES, AS SET OUT IN THE SECTION ENTITLED “RISK FACTORS” BEGINNING ON PAGE 11 OF THIS DOCUMENT.

The Directors, whose names appear in Part IV, 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.

KAVANGO RESOURCES PLC

(incorporated in England and Wales under the company number 10796849)

*Placing of 72,063,636 New Ordinary Shares of £0.001 each at the price of £0.0275 per New Ordinary Share,
Subscription of 663,637 New Ordinary Shares of £0.001 each at the price of £0.0275 per New Ordinary Share,
Admission to the Official List of the Enlarged Share Capital and up to 244,950,808 new Ordinary Shares of
£0.001 each (by way of a Standard Listing under Chapter 14 of the Listing Rules) and to trading on the London
Stock Exchange’s Main Market for listed securities*

Enlarged Share Capital immediately following Admission at a placing price of £0.0275

Number of Ordinary Shares	Market Capitalisation
265,682,982	£7,306,282

First Equity Limited (“First Equity”) and SI Capital Ltd (“SI Capital”) (together, the “Joint Brokers”) which are authorised and regulated in the UK by the FCA, are acting exclusively for the Company and no one else in connection with the Placing and the Subscription and will not regard any other person (whether or not a recipient of this Document) as a client in relation to the Placing and the Subscription and will not be responsible to anyone other than the Company for providing the protections afforded to respective clients of First Equity or SI Capital, or for providing advice in relation to the Placing and the Subscription or any other matters referred to in this Document. First Equity is the Company’s UK placing agent in respect of the Placing and the Subscription.

The Joint Brokers are not making any representation, express or implied, as to the contents of this Document, for which Kavango and the Directors are solely responsible. Without limiting the statutory rights of any person to whom this Document is issued, no liability whatsoever is accepted by the Joint Brokers for the accuracy of any information or opinions contained in this Document or for any omission of information, for which Kavango and the Directors are solely responsible.

The information contained in this Document has been prepared solely for the purpose of the Placing, the Subscription and Admission and is not intended to be relied upon by any subsequent purchasers of Ordinary Shares (whether on or off exchange) and accordingly no duty of care is accepted in relation to them.

The Ordinary Shares when issued will rank in full for all dividends or other distributions hereafter declared, made or paid on the ordinary share capital of the Company and will rank *pari passu* in all other respects with all other Ordinary Shares in issue on Admission.

This Document does not constitute an offer to sell or an invitation to subscribe for, or the solicitation of an offer or invitation to buy 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. The Ordinary Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state or other jurisdiction of the United States or under applicable securities laws of Australia, Canada or Japan. 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 or any other jurisdiction where such offer or sale would violate the relevant securities laws of such jurisdiction. This Document does not constitute an offer to sell or a solicitation of an offer to purchase or subscribe for Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company. 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 Securities Act. There will be no public offer in the United States. The distribution of this Document in or into jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possessions 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 foregoing authorities passed comment upon or endorsed the merit of the offer 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.

Application has been made for the New Ordinary Shares to be admitted by way of a Standard Listing to the Official List. A Standard Listing will afford investors in the Company a lower level of regulatory protection than that afforded to investors in companies with Premium Listings on the Official List, which are subject to additional obligations under the Listing Rules.

It should be noted that the FCA will not have authority to (and will not) monitor the Company's compliance with any of the Listing Rules and/or any provision of the QCA Code 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 to so comply.

This Document is dated 19 November 2020.

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PART I SUMMARY

SECTION A – INTRODUCTION, CONTAINING WARNINGS

This summary should be read as an introduction to this Document. Any decision to invest in the New Ordinary Shares should be based on consideration of this Document as a whole by the investor. An investor could lose all or part of their invested capital. Where a claim relating to the information contained in this Document is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating this Document before legal proceedings are initiated.

Civil liability attaches only to those persons who have tabled this summary including any translation thereof, but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of this Document or where it does not provide, when read together with the other parts of this Document, key information in order to aid investors when considering whether to invest in such securities.

The securities to which this Document relates are the Ordinary Shares of the issuer. The ISIN of the Ordinary Shares is GB00BF0VMV24. The issuer of the Ordinary Shares is Kavango Resources plc, who is the offeror. The issuer's contact details are: +44 (0)203 651 5705, Suite 425, Salisbury House, London Wall, London EC2M 5PS. The LEI of the Company is 2138007PZJFATXWUT529. This prospectus has been approved by the Financial Conduct Authority whose contact details are: +44 (0)20 7066 1000, 12 Endeavour Square, London E20 1JN, United Kingdom. The date of approval of this Document is 19 November 2020.

SECTION B – KEY INFORMATION ON THE ISSUER

WHO IS THE ISSUER OF THE SECURITIES?

The legal and commercial name of the issuer is Kavango Resources plc. The LEI of the Company is 2138007PZJFATXWUT529. The Company was incorporated and registered in England and Wales on 31 May 2017 as a private limited company and re-registered on 24 January 2018 as a public limited company. Its registered number is 10796849.

Current operations /Principal activities and markets

Kavango, via its 100 per cent. owned Botswana registered subsidiary, Kavango Minerals (Pty) Ltd, is exploring for major mineral deposits in southern Africa. Kavango's current operations are in Botswana, where it holds strategic licenses covering over 9,300 km² of highly prospective exploration land across three projects. The first project it is focusing on is the potential of the Kalahari Suture Zone (KSZ), in the south west of the country, to host '*Norilsk Style*' copper-nickel-PGM (Ni-Cu-PGE) deposits. The second project area is the Kalahari Copper Belt (KCB), where recent discoveries of copper are being developed into mines. The third is at Ditau where Kavango has identified ten ring structures, that it believes represents carbonatite volcanic vents and intrusives which have the potential to host copper, rare earths and even diamond deposits.

The 5,579.7km² area covered by Kavango's KSZ licences displays a geological setting, which the Directors consider has distinct similarities to that hosting the world-class Norilsk Ni-Cu-PGE orebodies in Siberia. A large amount of geological and geophysical work has now been completed, including 1,100m of initial drilling and compilation of a 3D geological model of the northern (Hukuntsi) part of the KSZ. Kavango has confirmed a number of important geological features in the KSZ, which support its exploration hypothesis of the correlation between the KSZ and Norilsk. This includes, but is not limited to, highly similar geological structures and rock formations and significant indicators that the KSZ experienced similar volcanic activity to that experienced at Norilsk, at a similar time in the Earth's history. Kavango has developed an extensive 3D underground model of the Hukuntsi region of the KSZ and has identified a number of high-priority drill targets, which it will further refine prior to initiating the next phase of drilling. The Company is now raising funds to complete a second phase of drilling of approximately 5-10,000m in the Hukuntsi area, covering an expected +20 drill holes.

Exploration Model:

Kavango's exploration model is based on exploring and adding value to the exploration projects in Botswana. Exploration of the Company's licences provides huge upside potential for the discovery of new mineral deposits.

The generation of projects and management of risk is achieved through the understanding and interpretation of the geological environment, knowledge of the business culture and legal framework of Botswana, together with maintaining good relations with the government and all stakeholders. The financing of the Company's exploration projects is likely to include equity, both private and the public markets, while mine development involves the full array of project debt and mezzanine finance. In all cases, mining and exploration companies are potential joint venture partners, a source of finance and expertise.

To date, the Company has used two phases of airborne electro-magnetic (AEM) surveys covering over 4,000 line-kms across the KSZ. Identified areas of interest were then targeted with more detailed ground-based geophysics. This was followed up with approximately 1,100m drill campaign at both the northern section of the KSZ and, separately, at the Ditau Project. Over the first six months of 2020, the information from Kavango's exploration, together with government water borehole logs and drilling from previous operators in the area was inputted into a 3D model developed in conjunction with a world renowned and experienced

Australian developer of 3D geological models, Mira Geoscience. Final interpretation of the model will be followed up with a second extensive drill campaign on the KSZ during the first half of 2021. There are currently no mineral resources or reserves on the Company's projects.

Exploration Rationale

KSZ Project

After a review of historic borehole material, aeromagnetic and gravity data from this Project, Kavango Minerals carried out various ground geophysical and soil sampling surveys and concluded that an AEM survey over most of the Project area should be conducted to assess the possibility of buried Ni-Cu-PGE sulphide mineralisation along and adjacent to the Kalahari Suture Zone. This was carried out in two phases, of approximately 2,000 line-kms each, at the end of 2018 and early 2019. Results from the AEM survey have identified numerous areas of interest. The Company is now following up these areas on the ground with geochemical sampling and ground geophysical surveys in order to prioritise drill targets. Results from an initial 1,100m drill campaign in late 2019 provided valuable geological information to management to assist in the understanding of the potential of the KSZ to host large copper and nickel mineral deposits. The assays from the core showed elevated copper and nickel values against what might be expected in a non-mineralised gabbro. Additionally, whole rock chemistry and other analysis of the core samples confirmed the presence of extremely elevated levels of sulphur. Sulphur is a key ingredient for the formation of metal sulphides in magma flows. The elevated readings strongly indicate that when the volcanic system was active, lava passed through sulphur bearing rocks, such as coal or coaly shale. Analysis suggests that this sulphur combined with copper and nickel present in the magma. If this analysis is correct, the heavier immiscible magmatic sulphides would have sunk to the bottom of the lava flows and accumulated in trap zones. Over hundreds of thousands of years these traps would have cooled, creating the magmatic ore bodies that Kavango is now searching for. A second larger phase of drilling in the northern section of the KSZ is now warranted to test a number of these trap zones.

KCB Project

The KCB Project is located within an area of recently discovered sediment-hosted copper deposits, such as Cupric Canyon's Zone 5 deposit and MOD's T3 deposit, both of which are now being developed as mining operations. The KCB extends 1,000kms by 250kms from NE Botswana to central Namibia.

Kavango has working interest in two separate Joint Ventures in the KCB. The first Joint Venture is with LVR GeoExplorers (Pty) Ltd ("LVR") and covers two PLs, PL082/2018 & PL 082/2018, which cover 1,091km². The LVR PLs are strategically located in this belt and therefore represent an attractive exploration target. PL 082/2018 lies 30km north of MOD Resources' T3 mine development and is completely surrounded by MOD/Metal Tiger/Sandfire PLs including their T5, T6, T9, T10, T14 and T15 targets. The PL lies astride the main Ghanzi - Maun tarred highway. PL 083/2018 is close to the Namibian border south of the Trans-Kalahari Highway and adjacent to a block of PL's held by Kopore Metals Limited.

The second Joint Venture is with Power Metal Resources Plc and covers two PLs PL036/2020 and PL037/2020, which cover 1,294km² and lie in a prospective area immediately south of the District capital of Ghanzi. No modern exploration has been carried out on the area covered by these prospecting licenses.

Ditau Project

The Ditau prospecting licenses cover 1,386km² in the south west of Botswana. Geophysical and geochemical analyses by Kavango in the two prospecting licenses have identified 10 "ring structures" (including at least one possible kimberlite). One of the ring structures is a 7km x 5km magnetic and gravity anomaly, with significant zinc-in-soils anomalies. Assay and whole rock geochemistry results from two drill holes carried out at on this ring structure in early 2019 demonstrated the presence of an extensive zone of altered Karoo sediments sitting above a mafic intrusive body. The alteration extended to over 300m in depth in both holes, which were 1.8km apart. The geochemistry obtained from the drill core suggested that the alteration was due to "fenitization", a type of extensive alteration associated with alkali magmatism and carbonatites.

Proposed Work Programmes

KSZ Project

Kavango Minerals has prepared a staged exploration programme with some ground based geophysics followed by drilling of approximately 5-10,000m over anomalies identified by the 3D geological model over the northern (Hukuntsi) section of KSZ area. It is envisaged that the Company will drill up to 20 holes covering each of several defined conductor anomalies to average depths of 300m each. A drilling budget of up to £340,000 has been assumed for the period. Depending on results the Company might continue drilling or decide to extend exploration to the central and southern portions of the KSZ.

KCB Project

Exploration will initially focus on soil sampling and geophysics, using CSAMT to identify dome structures that are known to host potential copper deposits. If results warrant, an AEM survey will be considered. Geology of the area is well known so the Company intends to start drilling as soon as results warrant.

Ditau

Orientation survey work is planned at the Falconbridge carbonatites, which are located in license areas currently held by De Beers. Kavango has secured permission from De Beers to complete this survey work, subject to meeting all environmental standards. The

survey work will enable Kavango and its Joint Venture Partner, Power Metal Resources Plc, to determine the equipment necessary to survey the ten carbonatite ring structures at Ditau. Under the terms of the agreement, Power Metal Resources will fund the first \$75,000 of this and other exploration work during Year 1 (being within 12 months from 18 September 2020) and the first \$75,000 spent during Year 2 (being the subsequent 12 months) of the Joint Venture. This will cover initial spending commitments and further exploration work will be contingent on results.

A discretionary amount of £900,000 is expected to be held in reserve from the Net Proceeds for exploration in any one of the projects in Botswana, depending on results and potential mineral discoveries.

The Licences

The Group holds 14 PLs in Botswana in the name of Kavango Minerals, of which 10 form part of the KSZ, 2 at Ditau and 2 on the KCB. The two Ditau PLs and the two wholly owned KCB PLs have been committed to a new Joint Venture with Power Metal Resources Plc. In addition, Kavango Minerals has entered into a farm-in agreement with LVR (the "LVR Farm-In Agreement") and has the right to earn up to a 90% interest in the two LVR PLs referred to under the heading 'KCB Project' above. The conditions relate to the granting and/or extension of PLs are outlined in the Mines and Minerals Act 1999 (Botswana). In summary, on application for a PL, the applicant must declare the programme of exploration work to be carried out and amount of money that is to be spent on the licence for each year of the proposed licence tenure.

For 2021, the minimum commitment on the KSZ licences that the Company wishes to maintain, together with anticipated Earn-In commitments in connection with the LVR Farm-In Agreement and the Power Metal Resources Plc joint venture Agreement, is currently £491,675. Actual expenditure on each licence will vary in accordance with exploration results. Licences may also be relinquished, reducing exploration commitments.

Major Shareholders

Insofar as the Directors and the Company are aware, as at 18 November 2020 (being the latest practicable date prior to publication of this Document) and immediately on Admission, the following persons had/will have an interest directly or indirectly in the issued shares of the Company which is notifiable under the Disclosure Guidance and Transparency Rules:

Shareholder	At the date of this Document		Immediately following the Placing, the Subscription and Admission	
	Number of Ordinary Shares	Percentage of issued share capital	Number of Ordinary Shares	Percentage of Enlarged Share Capital following Admission
JIM Nominees Limited	30,207,155	15.67%	101,443,519	38.18%
Share Nominees Limited	20,477,139	10.62%	20,477,139	7.71%
Hargreaves Lansdown	14,745,007	7.64%	14,745,007	5.55%
Peter O Anderton	14,486,796	7.51%	14,486,796	5.45%
Jose Medeiros	13,492,500	6.99%	13,492,500	5.08%
Interactive Investor Services Nominees Limited	11,541,432	5.98%	11,541,432	4.34%
Charles Michael Moles (*)	11,092,500	5.75%	11,092,500	4.18%
Hillary Gumbo (*)	11,092,500	5.75%	11,092,500	4.18%
Douglas Wright (*)	9,400,001	4.87%	9,400,001	3.54%
John Forrest (*)	7,664,998	3.96%	7,664,998	2.89%
HSDL Nominees Limited	6,910,299	3.58%	6,910,299	2.60%
Michael Foster (*)	6,365,000	3.30%	6,365,000	2.40%
Adrian Crucifix	5,870,715	3.04%	5,870,715	2.21%

(*) Denotes a Director/Senior Manager

- Teresa Giovetty-Foster, Michael Foster's wife, holds 1,000,000 Ordinary Shares equating to approximately 0.52% as at the date of this Document and approximately 0.38% on Admission

Such Shareholders do not have special voting rights and the Ordinary Shares owned by each of them rank *pari passu* in all respects with all other Ordinary Shares.

The Company is not aware of any person who, either as at the date of this Document or immediately following Admission, exercises, or could exercise, directly or indirectly, jointly or severally, control over the Company.

Key Managing Directors and Statutory Auditors

The key managing director is Michael Foster.

The statutory auditors are PKF Littlejohn LLP.

WHAT IS THE KEY FINANCIAL INFORMATION REGARDING THE ISSUER?

Table 1: Income statement for the Group

	Year to 31 December 2019 \$'000	6 months to 30 June 2020 \$'000
Revenue	-	-
Operating profit/(loss)	(1,472)	(254)
Total comprehensive profit/(loss)	(1,573)	(605)

Table 2: Balance sheet for the Group

	As at 31 December 2019 \$'000	As at 30 June 2020 \$'000
Total assets	2,854	2,792
Total equity	2,714	2,401

Table 3: Cash flow statement for the Group

	Year to 31 December 2019 \$'000	6 months to 30 June 2020 \$'000
Relevant net Cash flows from operating activities	(539)	(288)

WHAT ARE THE KEY RISKS SPECIFIC TO THE ISSUER?

Kavango is in the exploration and appraisal phase: Kavango is in the exploration and appraisal phase of its development. Its Projects have no proven mineral resources and are therefore speculative in nature. There is no guarantee mineralisation will be found. The Company, as the holding company for the Group, is entirely dependent on the success of Kavango Minerals, its ultimate subsidiary.

The Company may not be able to renew its Prospecting Licences and/or obtain Mining Licences: Some of Kavango's PLs expire during the course of 2021. PLs 363/2018, 364/2018, 365/2018, 082/2018 and 083/2018 can all be extended for a further two years, subject to the terms of the Mines and Minerals Act (1999) Botswana. PLs 163/2012, 164/2012 and 169/2012 have already been extended by two years and will require special approval. Provided exploration proceeds in accordance with its terms the Company's management believes these PLs will continue to be extended.

Applications for the renewal of prospecting licences (that can be renewed for a further term (or terms)) can be refused or rejected if the applicant has not carried out the work programmes and/or met the expenditure commitments agreed at the time the applicable prospecting licence was granted. The application could also be rejected if the proposed work programmes and/or expenditure commitments are considered by the Ministry of Mineral Resources to be inadequate for the renewed term. Accordingly, it is important that prior to such application, Kavango Minerals has identified any suitable areas of interest via the proposed EM survey and the drilling programmes. If it has not done so, it may lose or relinquish its licences or have failed to identify the correct areas (that is, areas containing mineralisation) which will have a material impact on the success of the Group. Furthermore, there is no guarantee that a mining licence ("ML") will be issued to Kavango Minerals or that Kavango Minerals will have sufficient funds to meet any conditions of the ML. All PLs are current; application for renewal of those licences which the Group wishes to maintain will be made 3 months before expiry. Of the PLs which can be renewed beyond 2021, there is no guarantee that any of them will be renewed. If these PLs are not renewed or if new PLs are applied for and not granted, this could have a material adverse effect on the Group's business, prospects, financial conditions and results of operations.

Kavango Minerals' capital requirements: Although the Group's assets are not generating revenues and an operating loss has been reported, the Directors are of the view that, whilst, taking into account the Net Proceeds, the working capital available to the Group is sufficient for its present requirements, that is for at least the next twelve months from the date of this Document, the Group will need to raise funds to meet its planned exploration expenses. In the event that any mineralisation is identified, and established with increased certainty after several drill holes, the Group will have further funding requirements to define further such mineralisation with the aim of delineating a JORC compliant resource and completing feasibility studies. Mineralisation can be intersected in any single drill hole. However, mineralisation will need to be intersected in many more drill holes before a JORC resource can be calculated. This could take more than two years. In addition, to prove that a mine is commercially viable could take two further years, or more. The ability to obtain additional financing will, at the time, be affected by matters such as the demand for securities and the condition of financial and commodity markets generally. If the Group cannot obtain the funding required on terms it considers reasonable, or in the then required timeframe, this will have a material adverse effect on the financial condition and/or prospects of the Company and its investors and could include the loss of the relevant licences.

The Group is subject to market risks including commodity prices and currency exchange risks: The volatility of commodity prices and markets could harm the Group's business.

The Group's future revenues, profitability and growth as well as the carrying value of its mining properties depend to a degree on prevailing commodity prices. The ability to borrow and to obtain additional funding on attractive terms depends upon the then prices. Prices are subject to fluctuations in response to relatively minor changes in the supply and demand, uncertainties within the market and a variety of other factors beyond the Group's control.

The Company's functional and presentational currency is both GB Sterling and US Dollars. The Company's consolidated financial statements carry the Company's assets in US Dollars, whilst the revenues and costs of Kavango Minerals are denominated in Botswana Pula.

The Group faces governmental regulation and regulatory risk: The Group's PLs are currently geographically concentrated solely in Botswana. As a result of this concentration, the Group may be disproportionately exposed to the impact of significant changes in governmental regulation. The production and sale of metals are subject to various state and local governmental regulations, which may be changed from time to time in response to economic or political conditions and can have a significant impact upon overall operations.

Matters subject to regulation include the issue and payment for licences, royalties and taxes and environmental protection. These laws and regulations could be amended or expanded to the disadvantage of the Group. From time to time, regulatory agencies could impose price controls and limitations on production in order to conserve supplies. Changes in these regulations could require the Group to expend significant resources to comply with new laws or regulations or changes to current requirements and this could have a material adverse effect on the Company's future business operations. Although this has not occurred in Botswana recently, it is conceivable that new regulations could be imposed compelling mining companies to benefit the mined products within Botswana rather than export them as raw materials or increasing the royalties to be paid to the government or local communities.

The Group's operations and properties may be subject to extensive and changing federal, state and local laws and regulations relating to environmental protection, including the generation, storage, handling, emission, transportation and discharge of materials into the environment, and relating to safety and health. The trend in any country in environmental legislation and regulation generally is toward stricter standards.

SECTION C – KEY INFORMATION ON THE SECURITIES

WHAT ARE THE MAIN FEATURES OF THE SECURITIES?

Description of the type and the class of the securities being offered

Each prospective Placee will be offered one New Ordinary Share of £0.001 in exchange for every £0.0275 invested. The Ordinary Shares are registered with ISIN number GB00BF0VMV24 and SEDOL number BF0VMV2. The Company's Legal Entity Identification Number is: 2138007PZJFATXWUTS29.

Currency of the securities issue

The currency of the securities issued (and to be issued) is Pounds Sterling. The Placing Price is being paid in Pounds Sterling.

Issued share capital

As at the date of this Document, the Company has an issued share capital of £192,955.70 comprising 192,955,709 fully paid Ordinary Shares of nominal value £0.001 each. On Admission, the Company will have an issued share capital of £265,682.98 comprising 265,682,982 fully paid Ordinary Shares. There are no shares in issue that are not fully paid.

Rights attached to the securities

The rights attaching to the Ordinary Shares will be uniform in all respects and they will form a single class for all purposes, including with respect to voting and for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company.

Each Ordinary Share grants a Shareholder who attends a general meeting (in person or by proxy) the right to one vote for or against or abstaining on Shareholder resolutions proposed by way of a show of hands, and one vote per Ordinary Share for or against or abstaining on Shareholder resolutions proposed by way of a poll vote.

The Company may by ordinary resolution declare dividends to 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.

Relative seniority of the securities in the event of insolvency

On a winding-up of the Company, the liquidator may, with the sanction of a special resolution of the Company and subject to the Companies Act 2006 and the Insolvency Act 1986 (each as amended), divide amongst the Shareholders in kind the whole or any part of the assets of the Company. The Company has one class of shares in existence, the Ordinary Shares.

Restrictions on transferability

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

Dividend policy

The Company has never declared or paid any dividends on the Ordinary Shares. The Company currently intends to pay dividends on future earnings, if any, when it is commercially appropriate to do so. Any decision to declare and pay dividends will be made at the discretion of the Board and will depend on, among other things, the Company's results of operations, financial condition and solvency and distributable reserves tests imposed by corporate law and such other factors that the Board may consider relevant. 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 in the foreseeable future.

WHERE WILL THE SECURITIES BE TRADED?

Application for admission to trading on a regulated market

The Existing Ordinary Shares are listed on the standard segment of the Official List and traded on the London Stock Exchange's Main Market for listed securities. Application has been made for the New Ordinary Shares to be admitted by way of a Standard Listing to the Official List and to trading on the London Stock Exchange's Main Market for listed securities. It is expected that Admission will become effective and that unconditional dealings will commence at 8.00 a.m. on 7 December 2020.

WHAT ARE THE KEY RISKS SPECIFIC TO THE SECURITIES?

Liquidity and Fluctuation: Investors should be aware that the value of the Ordinary Shares may go down as well as up and that they may not be able to realise their investment. The Company can give no assurance that the trading market for the Ordinary Shares will be active or, if developed, will be sustained following Admission or otherwise. Investors may be unable to sell their Ordinary Shares unless a market can be established and maintained.

Investors may not be able to realise returns on their investment in Ordinary Shares within a period that they would consider to be reasonable. Dividend payments are not guaranteed: Investments in the Ordinary Shares may be relatively illiquid. Investors should not expect that they would necessarily be able to realise their investment in the 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. Dividend payments on the Ordinary Shares are not guaranteed. The ability of the Company to pay dividends on the Ordinary Shares will depend on, among other things, the Company's results of operations, financial condition and solvency and distributable reserves tests imposed by corporate law and such other factors that the Board may consider relevant.

Terms of subsequent financings may adversely impact shareholder's investment: The Company may issue additional shares in the future, which may adversely affect the market price of the outstanding Ordinary Shares at that time. The Company has no current plans for a subsequent offering of its shares or of rights or invitations to subscribe for shares. The perception by the public that an offering may occur could also have an adverse effect on the market price of the Company's issued Ordinary Shares. The Group may have to raise equity, debt or preferred-share financing in the future. Investors' rights and the value of the investment in the Ordinary Shares could be reduced. In addition, if the Company issues convertible debt instruments that give the debt holders

the right to convert all, or a portion, of their debt instruments into equity of the Company, the holders of Ordinary Shares could experience dilution, depending upon the debt conversion price, and the market price of the Ordinary Shares could be adversely affected as described in the Risk Factor above. Interest on these debt securities would also increase costs and negatively impact operating results.

SECTION D – KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND/OR THE ADMISSION TO TRADING ON A REGULATED MARKET

UNDER WHICH CONDITIONS AND TIMETABLE CAN I INVEST IN THIS SECURITY?

Terms and conditions of the Placing and the Subscription

The Company has, conditional on Admission, irrevocably raised £2,000,000 (before costs of approximately £100,000) by the issue of 72,727,273 Ordinary Shares which have been issued, conditional only on Admission, at £0.0275 per Ordinary Share by the Company with investors through the Placing and the Subscription.

The Placing and the Subscription are conditional on Admission occurring by 7 December 2020 but not later than 7 January 2021 and are otherwise irrevocable. The rights attaching to the Ordinary Shares will be uniform in all respects and all of the Ordinary Shares will form a single class for all purposes.

Dilution

There is no subscription offer to existing equity holders. The Placing, the Subscription and Admission will result in the existing shareholders being diluted from owning 100 per cent. of the Existing Ordinary Share capital as at the date of this Document so as to constitute 62.31 per cent. of the Enlarged Share Capital.

Total Placing and Subscription net proceeds / estimate of expenses

On a raise of £2,000,000 (gross), the Net Proceeds are estimated to be £1,900,000. The total expenses incurred (or to be incurred) by the Company in connection with the Placing, the Subscription and Admission are approximately £100,000. No expenses of the Placing, the Subscription and Admission will be charged to Placees.

WHY IS THIS PROSPECTUS BEING PRODUCED?

Reason for the Placing and the Subscription and Use of Proceeds

The reason for the Placing and the Subscription is to raise funds to meet the exploration costs in Botswana, office costs, JV commitments and general working capital as set out below.

The Net Proceeds of approximately £1,900,000 raised through the Placing and the Subscription, being the gross proceeds of £2,000,000, less transaction costs of approximately £100,000, will primarily be used to provide working capital to the Group and to meet its regulatory and administrative commitments and to carry out proposed exploration work programmes. Kavango's proposed work programme is focused principally on the KSZ Project with smaller amounts allocated to two KCB Project PLs which are the subject of the LVR farm-in agreement and two KCB Project PL's and two Ditau PL's which are subject to the Power Metal agreement.

The Net Proceeds of the Placing and the Subscription are estimated to be £1,900,000. The Net Proceeds are expected to be used as follows:

1. The budget for Botswana is £586,000 all of which is included in exploration expenditure. This represents 119% of expenditure commitments of £491,675 (being the Minimum Commitment for 2021). The £586,000 will be allocated
 - (i) £448,000 for drilling and other work on the KSZ.
 - (ii) £84,000 for LVR farm-in agreement.
 - (iii) £54,000 for the POW JV.
 - (iv) £900,000 discretionary exploration expenditure in Botswana, to allow work to expand and accelerate if exploration results warrant.
2. The budget for UK head office costs to 31 December 2021 is £338,000. This amount adequately covers all non-discretionary commitments estimated as £15,000 for regulatory costs.

If mineralisation is discovered at any of the Project sites, the Group will consider raising further funding after twelve months from the date of this Document if the Directors elect to further advance the development of such mineralisation. It is most likely that any additional funding would, initially, be in the form of equity although the Directors would not rule out accepting debt financing and/or enter into joint venture arrangements if reasonable terms could be agreed.

The Placing and the Subscription are not subject to an underwriting agreement.

PART II **RISK FACTORS**

Existing Shareholders and prospective investors should note that the risks relating to the Group, its industry and the Ordinary Shares summarised in the section of this Document headed “Summary” 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 that the Group faces relate to events and depend on circumstances that may or may not occur in the future, existing Shareholders and prospective investors should consider not only the information on the key risks summarised in the section of this Document headed “Summary” but also, among other things, 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.

RISKS RELATING TO THE BUSINESS OF THE GROUP

Kavango is in the exploration and appraisal phase.

Kavango is in the exploration and appraisal phase of its development. Its Projects have no proven mineral resources and are therefore speculative in nature. There is no guarantee mineralisation will be found. The Company, as the holding company for the Group, is entirely dependent on the success of Kavango Minerals, its ultimate subsidiary.

To date, Kavango Minerals has received financing of approximately \$3m from the Company to fund its work programme. This has included, since IPO Admission in July 2018, an airborne Electro-Magnetic (“AEM”) survey over the northern part of the KSZ licensed area to identify the location of gabbro intrusive bodies beneath the sedimentary cover and ascertain the existence of geophysical conductors which may represent mineral deposits, and ground based follow-up work subsequent to the AEM surveys. Approximately 1,000m of drilling has been completed at the Ditau Prospect and 1,100m at the KSZ licence area.

Exact amounts and timing of further drilling will depend on the success of geophysical surveys in prioritising drill targets, depths of drilling, drilling conditions and results. There is no guarantee that a mineral deposit will be discovered, or when. Kalahari sand and Karoo sediment cover the areas subject to the PLs making exploration more expensive and risky.

Failure to conclude the proposed work programmes within a reasonable time and within the planned budgets, or failure to identify mineralisation will have a material adverse effect on the Group’s business, results of operations, financial condition and/or prospects. It is possible (but not guaranteed) that in that instance the Group could still operate as the Directors would use their experience to diversify areas being surveyed, with the acquisition of additional licences or by entering into joint venture agreements, in order to find ways to enhance shareholder value.

The Company may not be able to renew its Prospecting Licences and/or obtain Mining Licences.

A summary of the terms and expenditure commitments to Government of the 14 PLs currently held by the Group, together with the 2 LVR PLs, which are the subject of the LVR Farm-In Agreement, is shown below:

Kavango Minerals (Pty) Ltd: Prospecting Licence (PL) status
PL terms for 2021

Licence#	Project	Expiry	Km2	Total BWP
163-2012	KSZ	30-Sep-21	497.5	783,750
164-2012	KSZ	30-Sep-21	497.0	716,250
509-2014	KSZ	31-Mar-22	412.8	676,250
510-2014	KSZ	31-Mar-22	502.1	676,250
155/2016	KSZ	31-Mar-22	490.5	-
156/2016	KSZ	31-Mar-22	489.0	-
157/2016	KSZ	31-Mar-22	390.4	-
363/2018	KSZ	30-Sep-21	972.0	-
364/2018	KSZ	30-Sep-21	376.6	416,250
365/2018	KSZ	30-Sep-21	951.6	416,250
KSZ sub-totals			5,579.5	3,685,000
169-2012	Ditau - POW JV (50%)	30-Sep-21	469.9	150,000
010/2019	Ditau - POW JV (50%)	30-Jun-22	916.4	118,125
Ditau JV sub-totals			1,386.3	268,125
036-2020	KCB - POW JV (50%)	31-Mar-23	590.2	286,000
037-2020	KCB - POW JV (50%)	31-Mar-23	704.0	286,000
082-2018	KCB - LVR JV (Earn-in up to 90%)	30-Jun-21	126.0	1,425,000
083-2018	KCB - LVR JV (Earn-in up to 90%)	30-Jun-21	965.0	1,425,000
KCB sub-totals			2,385.2	3,422,000
GRAND TOTAL			9,351.0	7,375,125
				£ 491,675
Notes				
1	All PLs can be renewed			
2	BWP figures are PL exploration commitments to Government for 2021			
3	Exchange rate GBP1.00/BWP15.00			
4	PLs 155, 156, 157, 363 are in the south KSZ and are to be JVed			
5	PLs 169 & 010 form the Ditau JV with Power Metals (POW): this represents 50% applicable to Kavango			
6	PLs 036 & 037 form the KCB JV with Power Metals (POW): this represents 50% applicable to Kavango			
7	Due to Covid-19 / change to strategy an application has been made to reduce PL169 costs to BWP300,000			
8	Commitments can be reduced by relinquishing PLs, or reducing km2, at any time			
9	Total expenditure commitment for 2021 is £491,675			
10	KCB - LVR JV - the amount is pro-rata for the period			

Applications for the renewal of prospecting licences (that can be renewed for a further term (or terms)) can be refused or rejected if the applicant has not carried out the work programmes and/or met the expenditure commitments agreed at the time the applicable prospecting licence was granted. The application could also be rejected if the proposed work programmes and/or expenditure commitments are considered by the Ministry of Mineral Resources to be inadequate for the renewed term. However, before any such application is rejected, the Minister shall usually give notice of the intended rejection and allow the applicant the opportunity to rectify the default or amend the proposed programme. Application for renewal of a prospecting licence must be made three months before expiry with the outcome known before the date of expiry. Maintaining licences depends largely on exploration results. The cost of application or renewal is minimal.

An initial prospecting licence is valid for a maximum of three years. On expiry, an application for renewal is permitted for a further two years, subject to 50% reduction in area. Thereafter, an application for renewal for a further two years is permitted without further reduction in area. After seven years the Mines and Minerals Act (1999) Botswana allows for a further two years provided a discovery has been made. Licences should be renewed provided (at each time) the applicant is not in default (as described above), and the Ministry considers that the proposed work programme and expenditure is adequate.

A Mining Licence (ML) will give the holder the right to develop a mine and extract and benefit from minerals (subject to specified conditions). It is usually valid for a period of up to 25 years and is renewable on application. It is incumbent upon the holder to produce an Environmental Impact Assessment and Environmental Plan before

permission will be granted for mining to commence. Other matters that will need to be resolved include ownership of the land, compensation, and royalties to be paid to the Government and local communities.

Accordingly, it is important that prior to an application for an ML, Kavango Minerals identifies all areas of interest via surveys and drilling programmes. If it has not done so, it may lose or relinquish its licences and/or have failed to identify the correct areas (that is, areas containing mineralisation) which will have a material impact on the success of the Group. Furthermore, there is no guarantee that a ML will be issued to Kavango Minerals or that Kavango Minerals will have sufficient funds to meet any conditions of the ML.

Of the existing PLs which can be renewed beyond 2021, there is no guarantee that any of them will be renewed. If these PLs are not renewed or if new PLs are applied for and not granted, this could have a material adverse effect on the Group's business, prospects, financial conditions and results of operations. All PLs are current; application for renewals of those licences which the Group wishes to maintain will be made 3 months before expiry.

Covid-19

The Covid-19 pandemic has presented many challenges. The Company took swift action to ensure the safety of all staff and senior management when Covid-19 caused lockdown in the UK and in Botswana. All of the Directors and senior management worked from home during lockdown. The Company initiated a business continuity plan well ahead of the UK Government's initial advice on home working. The Directors consider that Botswana has dealt admirably with Covid-19 with periods of lockdown from April to August 2020, with limited movement of people. While field operations in Botswana ceased during this period, and costs were subsequently reduced, the Company's management took advantage of this period to consolidate all drill information into computer generated 3-D models – work that is easily done from home. In August, Botswana started to ease travel restrictions. External borders are now open with 14-day quarantine on entry into the country. There is free movement within the country. Field operations commenced again in late September. The Directors are closely monitoring commercial and technical aspects of the Group's operations in-country to mitigate the impact from the Covid-19 pandemic. If a Covid-19 related 'lockdown' is reintroduced, and field operations are forced to cease, the Company will again reduce operating costs. The inability to gauge the length of such disruption adds a degree of uncertainty to planning. The principal risk is the delay to field work in Botswana if further restrictions on travel are introduced.

Kavango Minerals' capital requirements.

Although the Group's assets are not generating revenues and an operating loss has been reported, the Directors are of the view that the Net Proceeds will provide the Group with sufficient working capital for at least the next twelve months from the date of this Document.

In the event that mineralisation is identified, and established with increased certainty after several drill holes, the Group will have further funding requirements to define further such mineralisation with the aim of delineating a JORC compliant resource and completing feasibility studies. Assuming positive results of feasibility studies, financing of mine development might typically take six months. Mineralisation can be intersected in any single drill hole. However, mineralisation will need to be intersected in many more drill holes before a JORC resource can be calculated. This could take more than two years. In addition, to prove that a mine is commercially viable could take two further years, or more. The ability to obtain additional financing will be affected, at the time, by matters such as the demand for securities and the condition of financial and commodity markets generally. If the Group cannot obtain the funding required on terms it considers reasonable, or in the then required timeframe, this will have a material adverse effect on the financial condition and/or prospects of the Company and its investors and could include the loss of the relevant licences.

The Group faces governmental regulation and regulatory risk.

Currently the prospecting licences of Kavango Minerals are located solely in Botswana.

The Group's PLs are currently geographically concentrated solely in Botswana. As a result of this concentration, the Group may be disproportionately exposed to the impact of significant changes in governmental regulation. The production and sale of metals are subject to various state and local governmental regulations, which may be changed from time to time in response to economic or political conditions and can have a significant impact upon overall operations. The production and sale of metals are subject to various state and local governmental regulations, which may be changed from time to time in response to economic or political conditions and can have a significant impact upon overall operations.

Matters subject to regulation include the issue and payment for licences, royalties and taxes and environmental protection. These laws and regulations could be amended or expanded to the disadvantage of the Group. From time to time, regulatory agencies could impose price controls and limitations on production in order to conserve

supplies. Changes in these regulations could require the Group to expend significant resources to comply with new laws or regulations or changes to current requirements and this could have a material adverse effect on the Company's future business operations. Although this has not occurred in Botswana in the last 10 years, it is conceivable that new regulations could be imposed compelling mining companies to beneficiate the mined products within Botswana rather than export them as raw materials or increasing the royalties to be paid to the government or local communities.

The Group's operations and properties may be subject to extensive and changing federal, state and local laws and regulations relating to environmental protection, including the generation, storage, handling, emission, transportation and discharge of materials into the environment, and relating to safety and health. The trend in any country in environmental legislation and regulation generally is toward stricter standards.

These laws and regulations (i) may require the acquisition of a permit or other authorisation before construction or mining commences and for certain other activities; (ii) may limit or prohibit construction, mining and other activities on certain lands lying within wilderness and other protected areas; and (iii) may impose substantial liabilities for pollution resulting from the operations. Governmental authorities have the power to enforce their regulations, and violations are subject to fines or injunctions, or both. Changes in existing environmental laws and regulations or in interpretations thereof could have a significant impact on the Company's business operations.

Airborne surveys in Botswana require approval from the Civil Aviation Authority of Botswana (CAAB) and all affected villages, rural dwellings and game reserves need to be advised in writing of the timing and particulars of the survey. Although this has not happened in recent years, it is possible that such approvals may not be given, given with onerous conditions, or take too long to be granted, in which case exploration is slowed and ground based surveys may be required, but over large areas these are time consuming, delaying programs.

Availability of Required Resources and Adequate Infrastructure

Kavango Minerals, as a natural resources company, is reliant on the availability of a number of resources at the required time. If the resources (examples of which are set out below) are not available when needed, this will impact the development of the Group and/or make operating uneconomic. Lack of, or poor, infrastructure increases capital and operating costs of mining operations.

a) Shortage of Power

Power supply in southern Africa (including Botswana) has, on occasions, not been able to meet demand. Any such supply shortage will have serious consequences on the future development of Kavango Minerals (in the short term, the proposed exploration and assessment work will be satisfied by diesel generators).

b) Lack of water

The environment in which the Group is operating is arid and classed as semi-desert. Water resources are scarce and obtaining sufficient water for mineral processes may be difficult or uneconomic. Traditionally, the people living in the relevant KSZ districts have obtained their water from water boreholes into the Karoo aquifers. The Government may restrict the amount of water that can be withdrawn from these aquifers preventing the development of mining operations which usually require large amounts of water. Such a restriction may force the Company to pipe water from further afield which will have a material cost impact.

c) Skilled and other labour

Kavango Minerals employs personnel on an *ad hoc* basis and relies heavily upon the technical expertise of a small group of experienced engineers at management level. The loss of any of the required officers, managers, engineers, geoscientists and other technical and professional personnel or on labour generally, upon which Kavango Minerals relies or may rely, may harm its ability to execute its proposals. During periods of skilled labour shortages, labour costs increase which could have a negative effect on exploration budgets.

d) Infrastructure

The Group's operations are in remote locations and can be accessed only by asphalt roads (within the PLs themselves there are only unsurfaced roads or tracks). Although there are plans being discussed by the Botswana government to rail link the capital Gaborone to the port of Walvis Bay in Namibia, currently, there is no railway line within, or near, the project areas. Transporting assets by road is considerably more costly than rail.

Further, the Group's ability to grow its businesses will depend on its ability to maintain the necessary management resources and on its ability to attract, train and retain personnel with skills that enable it to keep pace with growing demands and evolving industry standards.

RISKS RELATING TO THE SECTOR IN WHICH THE COMPANY OPERATES

The Group is subject to market risks including commodity prices and currency exchange risks.

The volatility of commodity prices could harm the Group's business.

The Group's future revenues, profitability and growth as well as the carrying value of its mining properties depend to a degree on prevailing commodity prices. The ability to borrow and to obtain additional funding on attractive terms depends upon the then prices. Prices are subject to fluctuations in response to relatively minor changes in the supply and demand, uncertainties within the market and a variety of other factors beyond the Group's control.

The Company's functional and presentational currency is both GB Sterling and US Dollars. The Company's consolidated financial statements carry the Company's assets in US Dollars, whilst the revenues and costs of Kavango Minerals are denominated in Botswana Pula. Generally, the Company raises financing for its operations by issuing equity denominated in GB Sterling

The Group conducts operations and any sales will be in foreign currencies, being primarily US Dollars. As such, foreign exchange risk arises from the Group's future commercial and financial transactions, recognised assets and liabilities denominated in a currency that is not the Group's functional currency. Changes in exchange rates between UK Sterling and other currencies, including US Dollars and Pula, may lead to significant changes in the Group's reported financial results from period to period. The Group will seek to manage its foreign exchange exposure.

An increase in future production costs could have a material adverse effect on the Group's profitability.

An increase in the Group's future exploration and production costs could have an impact on its profitability. Changes in the costs of its mining and processing operations could occur as a result of unforeseen events, including international, local economic and political events, and could result in changes in profitability or reserve estimates. Many of these factors may be beyond the control of the Group.

Failure, or a perceived failure, in Kavango Minerals' business practices and ethics.

Kavango Minerals has the potential to make a significant impact upon the environment and the communities in which it works. Any failure, or perceived failure, by Kavango Minerals or any of its employees and contractors to act ethically (for example, by engaging in disreputable business practices) may cause reputational damage to the Group. Whilst the Group has put in place a system of governance, policies and monitoring which have the aim of ensuring that such practices are not engaged in by any of the Group's employees and contractors, there is no guarantee that these systems and policies will prevent failure or a perceived failure to act ethically.

The Group may suffer losses or incur liability for events as the operator of a property or for which it has chosen not to obtain insurance.

The Group's proposed operations are subject to hazards and risks inherent with natural resource companies, such as fires, natural disasters, explosions, and acts of terrorism, all of which can result in environmental pollution, personal injury claims and other damage to properties and others. The occurrence of any of these events could result in the following:

- Substantial losses due to injury and loss of life;
- Severe damage to and destruction of property, natural resources and equipment;
- Pollution and other environmental damage;
- Clean-up responsibilities; and
- Regulatory investigation and penalties and suspension of operations.

As protection against operating hazards, the Group plans to carefully assess any risks and maintain appropriate insurance coverage against some, but possibly not all, potential losses. The occurrence of an event that is not covered, or not fully covered, by insurance could have a material adverse effect on the business, financial condition and results of operations.

RISKS RELATING TO THE ORDINARY SHARES

Liquidity.

Investors should be aware that the value of the Ordinary Shares may go down as well as up and that they may not be able to realise their investment. Although the Company has applied for listing and admission of the Ordinary Shares to the Standard Listing segment of the Official List and to trading on the London Stock Exchange's Main Market for listed securities, and it is expected that these applications will be approved, the Company can give no assurance that the trading market for the Ordinary Shares will be active or, if developed, will be sustained following Admission or otherwise. If an active trading market is not developed or maintained, the liquidity and/or trading price of the Ordinary Shares could be adversely affected. Investors may be unable to sell their Ordinary Shares unless a market can be established and maintained, and if the Company subsequently obtains a listing on an exchange in addition to, or in lieu of, the London Stock Exchange, the level of liquidity of the Ordinary Shares may decline.

Investors may not be able to realise returns on their investment in Ordinary Shares within a period that they would consider to be reasonable. Dividend payments are not guaranteed.

Investments in the Ordinary Shares may be relatively illiquid. There may be a limited number of Shareholders and this factor 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 would necessarily be able to realise their investment in the 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.

Dividend payments on the Ordinary Shares are not guaranteed. The ability of the Company to pay dividends on the Ordinary Shares will depend on, among other things, the Company's results of operations, financial condition and solvency and distributable reserves tests imposed by corporate law and such other factors that the Board may consider relevant. The Company can give no assurances that it will be able to pay a dividend going forward.

Substantial sales of Ordinary Shares by significant shareholders could depress the price of the Ordinary Shares.

Subsequent sales by the major shareholders (or any other substantial shareholders) of a substantial number of Ordinary Shares may significantly reduce the Company's share price.

Terms of subsequent financings may adversely impact shareholder's investment.

The Company may issue additional shares in the future, which may adversely affect the market price of the outstanding Ordinary Shares at that time. The Company has no current plans for a subsequent offering of its shares or of rights or invitations to subscribe for shares. The perception by the public that an offering may occur could also have an adverse effect on the market price of the Company's issued Ordinary Shares.

The Group may have to raise equity, debt or preferred-share financing in the future. Investors' rights and the value of the investment in the Ordinary Shares could be reduced. For example, if the Company issue secured debt securities, the holders of the debt would have a claim against the Company's assets that would be prior to the rights of shareholders until the debt is paid. In addition, if the Company issues convertible debt instruments that give the debt holders the right to convert all, or a portion, of their debt instruments into equity of the Company, the holders of Ordinary Shares could experience dilution, depending upon the debt conversion price, and the market price of the Ordinary Shares could be adversely affected as described in the risk factor above. Interest on these debt securities would also increase costs and negatively impact operating results.

Preferred shares could be issued from time to time with such benefits, rights, preferences, and limitations as are needed to raise capital. The terms of preferred shares could be more advantageous to the holders of preferred shares than to the holders of Ordinary Shares. The Articles authorise the Directors to issue an unlimited number of Ordinary Shares, subject to the rights of pre-emption and other rights set out in the Articles. The Company has disapproved the pre-emption provisions set out in the Articles by resolutions dated 23 July 2020.

RISKS RELATING TO TAXATION

There can be no assurance that the Company will be able to make returns for Shareholders in a tax-efficient manner.

The Company acts as the holding company to a trading group, to maximise returns for Shareholders in as fiscally efficient a manner as is practicable. The Company has made certain assumptions regarding taxation. However, if these assumptions are not borne out in practice, taxes may be imposed with respect to any of the Company's assets, or the Company may be subject to tax on its income, profits, gains or distributions in a particular jurisdiction or

jurisdictions in excess of taxes that were anticipated. This could alter the post-tax returns for Shareholders (or Shareholders in certain jurisdictions). The level of return for Shareholders may also be adversely affected. Any change in laws or tax authority practices could also adversely affect any post-tax returns of capital to Shareholders or payments of dividends (if any, which the Company does not envisage the payment of, at least in the short to medium-term). In addition, the Company may incur costs in taking steps to mitigate any such adverse effect on the post-tax returns for Shareholders.

Changes in tax law may reduce any net return to Shareholders.

Changes in applicable tax law in the UK, Mauritius and/or Botswana or any other relevant jurisdiction may result in adverse consequences to Shareholders and/or reduce any net return derived by Shareholders from an investment in the Company.

The tax treatment of Shareholders of Ordinary Shares issued by the Company, any of the Group companies, any special purpose vehicle that the Company may establish and any company which the Company may acquire are all subject to changes in tax laws or practices in the UK or any other relevant jurisdiction. Any change may reduce any net return derived by Shareholders from an investment in the Company.

PART III
EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this Document	19 November 2020
Admission to the Official List and commencement of unconditional dealings in the New Ordinary Shares	7 December 2020
Crediting of CREST accounts in respect of the New Ordinary Shares	7 December 2020
New Ordinary Share certificates dispatched by week commencing	14 December 2020

*All references to time in this Document are to London GMT time unless otherwise stated.
The times set out above are subject to change. Any such change will be notified by an announcement on a regulatory information service.*

STATISTICS

Number of Existing Ordinary Shares	192,955,709
Number of New Ordinary Shares to be issued pursuant to the Placing and the Subscription	72,727,273
Number of Additional Shares	244,950,808
Number of 2020 Broker Warrants	6,706,364
Number of Placing Warrants	72,727,273
Number of Warrants in issue at Admission	141,104,058
Number of Ordinary Shares in issue on Admission	265,682,982
New Ordinary Shares as a percentage of the Enlarged Share Capital	27.37
New Ordinary Shares as a percentage of the Fully Diluted Share Capital	14.24
Additional Shares as a percentage of the Fully Diluted Share Capital	47.97
Placing Price	2.75p
Gross Proceeds of the Placing and the Subscription	£2,000,000
Net Proceeds	£1,900,000
Market Capitalisation of the Company at the Placing Price on Admission	£7,306,282

DEALING CODES

LEI	2138007PZJFATXWUTS29
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PART IV
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PART V **IMPORTANT INFORMATION**

In deciding whether or not to invest in Ordinary Shares prospective investors should rely only on the information contained in this Document.

No person has been authorised to give any information or make any representations other than as contained in this Document and, if given or made, such information or representations must not be relied on as having been authorised by the Company or the Directors.

Without prejudice to the Company's obligations under the FSMA, the Prospectus Regulation Rules, Listing Rules and Disclosure Guidance and Transparency Rules, neither the delivery of this Document nor any subscription made under this Document shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this Document or that the information contained herein is correct as at any time after its date.

Prospective investors must not treat the contents of this Document or any subsequent communications from the Company, the Directors or any of their respective affiliates, officers, directors, employees or agents as advice relating to legal, taxation, accounting, regulatory, investment or any other matters.

The section headed "Summary" should be read as an introduction to this Document. Any decision to invest in the Ordinary Shares should be based on consideration of this Document as a whole by the investor. In particular, investors must read those parts of the Summary which refer to risks associated with the Company, its industry and its securities, together with the risks set out in the section headed "**Risk Factors**" beginning on page 11 of this Document.

This Document is being furnished by the Company in connection with an offering exempt from registration under the Securities Act solely to enable prospective investors to consider the purchase of the Ordinary Shares. Any reproduction or distribution of this Document, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the Ordinary Shares hereby is prohibited.

This Document does not constitute, and may not be used for the purposes of, an offer to sell or an invitation or the solicitation of an offer or invitation to subscribe for or buy, any Ordinary Shares by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) in which, or to any person to whom, it is unlawful to make such offer, solicitation or invitation. The distribution of this Document and the offering of Ordinary Shares in certain jurisdictions may be restricted. Accordingly, persons outside the United Kingdom who obtain possession of this Document are required by the Company and the Directors, to inform themselves about, and to observe any restrictions as to the offer or sale of Ordinary Shares and the distribution of this Document under the laws and regulations of any territory in connection with any applications for Ordinary Shares including obtaining any requisite governmental or other consent and observing any other formality prescribed in such territory. No action has been taken or will be taken in any jurisdiction by the Company and the Directors that would permit a public offering of the Ordinary Shares in any jurisdiction where action for that purpose is required nor has any such action been taken with respect to the possession or distribution of this Document other than in any jurisdiction where action for that purpose is required. Neither the Company nor the Directors accept any responsibility for any violation of any of these restrictions by any person.

The Ordinary Shares have not been and will not be registered under the Securities Act, or under any relevant securities laws of any state or other jurisdiction in the United States, or under the applicable securities laws of Australia, Canada or Japan. Subject to certain exceptions, the Ordinary Shares may not be offered, sold, resold, reoffered, pledged, transferred, distributed or delivered, directly or indirectly, within, into or in the United States, Australia, Canada or Japan or to any national, resident or citizen of Australia, Canada or Japan.

The Ordinary Shares have not been approved or disapproved by the SEC, any federal or state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Ordinary Shares or confirmed the accuracy or determined the adequacy of the information contained in this Document. Any representation to the contrary is a criminal offence in the United States.

Investors may be required to bear the financial risk of an investment in the Ordinary Shares for an indefinite period.

Available information

The Company is not subject to the reporting requirements of section 13 or 15(d) of the US Securities Exchange Act of 1934, as amended (the "Exchange Act"). For so long as any Ordinary Shares are "restricted securities"

within the meaning of Rule 144(a)(3) of the Securities Act, the Company will, during any period in which it is neither subject to section 13 or 15(d) of the Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide, upon written request, to Shareholders and any owner of a beneficial interest in Ordinary Shares or any prospective purchaser designated by such holder or owner, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

Data protection

The Company is subject to the General Data Protection Regulation (Regulation (EU) 2016/679) (“GDPR”) and will ensure that it complies with the requirements of the GDPR. The following section is subject to those obligations.

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. 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 United Kingdom 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 United Kingdom.

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.

Investment considerations

In making an investment decision, investors must rely on their own examination, analysis and enquiry of the Company, this Document and the terms of the Admission, including the merits and risks involved. The contents of this Document are not to be construed as advice relating to legal, financial, taxation, investment decisions or any other matter. Investors should inform themselves as to:

- the legal requirements within their own countries for the purchase, holding, transfer or other disposal of the Ordinary Shares;
- any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of the Ordinary Shares which they might encounter; and
- the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of the Ordinary Shares or distributions by the Company, either on a liquidation and distribution or otherwise. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, 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 objective will be achieved. It should be remembered that the price of the Ordinary Shares and any income from such Ordinary Shares, could go down as well as up.

This Document 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 Memorandum and the Articles of the Company, which investors should review.

Forward-looking statements

Nothing in this paragraph constitutes a qualification of the working capital statement contained in paragraph 7 of Part XI “Additional Information”.

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 Directors concerning, among other things: the Group’s strategy, plans and future financial and operating performance, capital resources, prospects, capital appreciation of the Ordinary Shares and dividends. 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 performances. 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. Important factors that may cause these differences include, but are not limited to:

- the inability of the Group to achieve its business objectives of operating a suitable mining business, or delays in doing so;
- the inability of the Company’s operating subsidiary, Kavango Minerals, to successfully appraise, explore and produce or delays in doing so;
- the inability of the Group to generate any revenues from its operations;
- the Group failing to complete its work programmes, or encountering delays
- the loss of any of the Group’s senior management or key employees;
- the effect of adverse litigation or arbitration awards against the Group;
- adverse economic conditions in the jurisdictions in which the Group operates, such as recession or weak recoveries, increased unemployment or a decline in consumer confidence; the availability and cost of equity or debt capital for future transactions;
- currency exchange rate fluctuations, as well as the success of the Company’s hedging strategies in relation to such fluctuations (if such strategies are in fact used); and
- legislative and/or regulatory changes, including changes in taxation regimes.

Investors should carefully review the “**Risk Factors**” section 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.

Forward-looking statements contained in this Document apply only as at the date of this Document. Subject to any obligations under the Market Abuse Regulation, the Listing Rules, the Disclosure Guidance and Transparency Rules and the Prospectus Regulation Rules, 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.

Market and industry 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. Such information has not been audited or independently verified. Where third party data has been used in this Document, the source of such information has been identified.

The information contained in this Document relating to the progress made on the Company's three prospecting areas has been checked and approved by Charles Michael Edwards Moles, a director of the Company, in his capacity as a competent person.

Currency presentation

Unless otherwise indicated, all references in this Document to "UK Sterling", "British pound sterling", "sterling", "£", or "pounds" are to the lawful currency of the UK. The Company prepares its financial statements in pound sterling. All references to "\$", "US\$", "US Dollar" or "USD" are to the lawful currency of the United States. References to "Pula" and "Botswana Pula" are to the lawful currency of Botswana.

Exchange Rate Information

The financial information provided on the Company is quoted in and the Placing and the Subscription monies being raised are in sterling. A large part of the assets and liabilities of the Group are stated in USD and Botswana Pula. The exchange rates to be used for the conversion of assets and liabilities in future reporting periods will be converted using the USD and Botswana Pula rates prevailing on the balance sheet date.

International Financial Reporting Standards

As required by the Act and Article 4 of the European Union IAS Regulation, the financial statements of the Company, Navassa and Kavango Minerals are prepared in accordance with IFRS issued by International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Committee of the IASB as adopted by the European Union.

Incorporation of information by reference

The contents of the Company's website, 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.

Definitions

A list of defined terms used in this Document is set out in "***Definitions***" beginning at page 67.

PART VI
INFORMATION ON THE GROUP AND MARKET OVERVIEW

1. Introduction

The legal and commercial name of the issuer is Kavango Resources plc. The LEI of the Company is 2138007PZJFATXWUT529. The Company was incorporated and registered in England and Wales on 31 May 2017 as a private limited company and re-registered on 24 January 2018 as a public limited company. Its registered number is 10796849.

2. Strategy

Kavango aims to add value for its shareholders by discovering and developing base metal and precious metal deposits in southern Africa. Management has extensive experience and a good track record of mineral deposit discoveries, financing their development and managing mining operations.

Acquisitions are achieved by acquiring prospecting licences (“PLs”) or entering into joint ventures with governments or industry partners. The track record of management over the last 30 years has provided stakeholders with substantial benefits, exiting through the financial markets and/or trade sales of projects to industry partners.

The Company’s founders identified Botswana as a stable, low risk country, with a government keen to develop the mining industry beyond its dependence on diamond mining. Much of the country is covered by Kalahari sand and as a result it has received little recent exploration, beyond that for diamonds. Modern geological and geophysical exploration techniques have advanced over the last 20 years. Adoption of these techniques is enabling the Company’s geologists to map geological structures under sand cover. Kavango’s management team believe the chances of new discoveries are high.

In Botswana, Kavango holds prospecting licences for three projects: the KSZ Project (“KSZ”), the KCB Project (“KCB”) and the Ditaú Project (“Ditaú”). The focus is on copper-nickel-platinum group elements at KSZ, copper-silver at the KCB and copper and rare earths at Ditaú.

The KSZ project is a 450km long magnetic structure of continental significance in SW Botswana where Kavango hold 10 PLs covering 5,579km². It is prospective for massive sulphides and the Company’s management believes the geological setting and formation is similar to the giant copper-nickel-PGE deposits at Norilsk in Siberia.

Two airborne electromagnetic (“AEM”) surveys, covering over 4,000 line-kms of the KSZ, were successfully carried out by contractors on behalf of Kavango at the end of 2018 and early 2019. Modelling of the AEM data allowed areas of interest to be identified down to depths below surface of almost 500m. These areas have been further surveyed on the ground. Three anomalies were prioritised and drilled at the end of 2019. All this information has now been modelled in 3-dimensions and areas of interest will be surveyed in detail before further drilling in 2021. A budget of approximately £450,000 has been set aside for this work.

The KCB project covers an area of 2,385km², over four PLs, two of which are party to a joint venture with a local Botswana company (“LVR”) and the other two are to be incorporated into a joint venture company with Power Metal Resources Plc (“POW”), an exploration company listed on the AIM market in London. Soil sampling and magnetic surveys are currently being carried out by the Company on the KCB licences.

The Ditaú project is also to be incorporated into the same joint venture company with POW (see above). POW has agreed to sole fund £75,000 of exploration costs in 2021 and the same amount in 2022.

A discretionary amount of approximately £900,000 is expected to be held in reserve from the Net Proceeds to accelerate and expand projects if results warrant.

3. Exploration Model

Kavango's exploration model is based on exploring and adding value to its exploration projects in Botswana. The projects provide huge upside potential for the discovery of new mineral deposits.

The generation of projects and management of risk is achieved through the understanding of the geological environment, knowledge of the business culture and legal framework of the countries in which Kavango operates, together with maintaining good relations with governments and all stakeholders. The financing of exploration projects includes equity, both private and the public markets, while for mine development the full array of project debt and mezzanine finance is available.

A summary of the Company's history is as follows:

History of the Company

Date	Event
31 May 2017	15,000,000 Ordinary Shares issued to the Founders
27 October 2017	9,630,000 Ordinary Shares issued to the Founders
27 October 2017	1,000,000 Ordinary Shares issued to Lesley Wright
7 December 2017	44,370,000 Ordinary Shares issued to the Navassa Shareholders
21 December 2017	4,169,996 Ordinary Shares issued to the Pre-Financing Placees with Pre-Financing Placing Warrants attached on a one for one basis
31 July 2018	60,000,000 Ordinary Shares issued to the 2018 Placees, with 2018 Placing Warrants attached on a one-for-one basis and 2,600,000 SI Capital 2018 Broker Warrants. The warrants expired on 31 July 2020
25 February 2019	17,857,142 Ordinary Shares issued in a placing conducted by SI Capital, with 12P 2019 Placing Warrants attached on a one-for-one basis and 892,857 SI Capital 2019 Broker Warrants
5 March 2019	8,928,571 Ordinary Shares issued in a placing conducted by Turner Pope, with 12P 2019 Placing Warrants attached on a one-for-one basis and 535,714 Turner Pope 2019 Broker Warrants
15 April 2020	27,250,000 Ordinary Shares and the issue of 27,250,000 A Warrants;
17 July 2020	4,750,000 Ordinary Shares are allotted and issued to POW following conversion of the Zero Coupon Convertible Loan Notes in their entirety, and 4,750,000 issued warrants exercisable at 1p to POW.

4. Principal Activities

The Company's principal activities are focused on its 100% owned Kalahari Suture Zone Project (KSZ). It also has activities over four licences on the Kalahari Copper Belt (KCB) two of which are in joint venture with a local company and two under the Power Metal joint venture. The latter joint venture also incorporates the companies third project, two licences at Ditau. All projects are located in west-central Botswana. Based on current geological evidence, both Projects have sound technical merits to be considered prospective, subject to varying degrees of exploration risk, and warrant the exploration programmes proposed by the Group to assess their economic potential.

There are currently no mineral resource or reserve estimates on the Projects.



5. Exploration Rationale

5.1 KSZ Project

In respect of the KSZ Project, after a review of historic borehole material, aeromagnetic and gravity data from this Project, Kavango Minerals carried out various ground geophysical and soil sampling surveys and concluded that an AEM survey over most of the Project area should be conducted to assess the possibility of buried Ni-Cu-PGE sulphide mineralisation along and adjacent to the Kalahari Suture Zone. This was carried out in two phases, of approximately 2,000 line-kms each, at the end of 2018 and early 2019. Results from the AEM survey have identified numerous areas of interest. The Company is now following up these areas on the ground with geochemical sampling and ground geophysical surveys in order to prioritise drill targets. Results from an initial 1,100m drill campaign in late 2019 provided valuable geological information to management to assist in the understanding of the potential of the KSZ to host large copper and nickel mineral deposits. The assays from the core showed elevated copper and nickel values against what might be expected in a non-mineralised gabbro. Additionally, whole rock chemistry and other analysis of the core samples confirmed the presence of extremely elevated levels of sulphur. Sulphur is a key ingredient for the formation of metal sulphides in magma flows. The elevated readings strongly indicate that when the volcanic system was active, lava passed through sulphur bearing rocks, such as coal or coaly shale. Analysis suggests that this sulphur combined with copper and nickel present in the magma. If this analysis is correct, the heavier immiscible magmatic sulphides would have sunk to the bottom of the lava flows and accumulated in trap zones. Over hundreds of thousands of years these traps would have cooled, creating the magmatic ore bodies that Kavango is now searching for. A second larger phase of drilling in the northern section of the KSZ is now warranted to test a number of these trap zones.

5.2 KCB Project

The KCB Project is located within an area of recently discovered sediment-hosted copper deposits, such as Cupric Canyon's Zone 5 deposit and MOD's T3 deposit, both of which are now being developed as mining operations. The Kalahari Copperbelt extends 1,000kms by 250kms from NE Botswana to central Namibia. The LVR PLs are strategically located in this belt and therefore represent an attractive exploration target. No modern exploration has been carried out on the area covered by these PLs.

5.3 Ditau Project

The Ditau prospecting licenses cover 1,386km² in the south west of Botswana. Geophysical and geochemical analyses by Kavango in the two prospecting licenses have identified 10 "ring structures" (including at least one possible kimberlite). One of the ring structures is a 7km x 5km magnetic and gravity anomaly, with significant zinc-in-soils anomalies. Assay and whole rock geochemistry results from two drill holes carried out at on this ring structure in early 2019 demonstrated the presence of an extensive zone of altered Karoo sediments sitting above a mafic intrusive body. The alteration extended to over 300m in depth in both holes, which were 1.8km apart. The geochemistry obtained from the drill core suggested that the alteration was due to "fenitization", a type of extensive alteration associated with alkali magmatism and carbonatites.

In the 1970s, Falconbridge Exploration Inc. discovered three carbonatites about 30km north of Ditau, one of which is reported to have contained elevated grades of niobium. Carbonatites are the principal source of rare earth elements (REEs) including the much sought-after elements Neodymium (Nd) and Praseodymium (Pr), which are used in the manufacture of the new generation of electric vehicles (EVs), magnets and other high-tech applications.

The Ditau Project will be part of a joint venture with Power Metal Resources Plc.

6. Proposed Work Programmes

6.1 KSZ Project

Kavango Minerals has prepared a staged exploration programme with some ground based geophysics followed by drilling programme of approximately 5-10,000m over anomalies identified by the 3D geological model over the northern (Hukuntsi) section of KSZ area. It is envisaged that the Company will drill up to 20 holes covering each of several defined conductor anomalies to average depths of 250-350m each. A drilling budget of up to £340,000 has been assumed for the period. Depending on results the Company might continue drilling or decide to complete extend exploration to the central and southern portions of the KSZ.

6.2 KCB Project

Exploration will initially focus on soil sampling and geophysics, using CSAMT to identify dome structures that are known to host potential copper deposits. If results warrant, an AEM survey will be considered. Geology of the area is well known so the Company intends to start drilling as soon as results warrant.

6.3 Ditauf

Orientation survey work is planned at the Falconbridge carbonatites, which are located in license areas currently held by De Beers. Kavango has secured permission from De Beers to complete this survey work, subject to meeting all environmental standards. The survey work will enable Kavango and its Joint Venture Partner, Power Metal Resources Plc, to determine the equipment necessary to survey the ten carbonatite ring structures at Ditauf. Under the terms of the agreement, Power Metal Resources will fund the first \$75,000 of this and other exploration work during "Year 1" (being within 12 months from 18 September 2020) and the first \$75,000 spent during "Year 2" (being the subsequent 12 months) of the Joint Venture. This will cover initial spending commitments and further exploration work will be contingent on results. The joint venture agreement should be finalised by the end of 2020. Entry into the joint venture agreement did not constitute a significant gross change as there was no variation of more than 25 per cent. relative to one or more indicators of the size of the Company's business.

Further discretionary funding of approximately £900,000 is expected to be held in reserve from the Net Proceeds if exploration results warrants acceleration or expansion of work programmes.

7. The Licences

A summary of the terms and expenditure commitments to Government of the 14 PLs currently held by the Group, together with the LVR Licences which are the subject of the LVR Farm-In Agreement, is shown below:

Kavango Minerals (Pty) Ltd: Prospecting Licence (PL) status				
PL terms for 2021				
Licence#	Project	Expiry	Km2	Total BWP
163-2012	KSZ	30-Sep-21	497.5	783,750
164-2012	KSZ	30-Sep-21	497.0	716,250
509-2014	KSZ	31-Mar-22	412.8	676,250
510-2014	KSZ	31-Mar-22	502.1	676,250
155/2016	KSZ	31-Mar-22	490.5	-
156/2016	KSZ	31-Mar-22	489.0	-
157/2016	KSZ	31-Mar-22	390.4	-
363/2018	KSZ	30-Sep-21	972.0	-
364/2018	KSZ	30-Sep-21	376.6	416,250
365/2018	KSZ	30-Sep-21	951.6	416,250
KSZ sub-totals			5,579.5	3,685,000
169-2012	Ditauf - POW JV (50%)	30-Sep-21	469.9	150,000
010/2019	Ditauf - POW JV (50%)	30-Jun-22	916.4	118,125
Ditauf JV sub-totals			1,386.3	268,125
036-2020	KCB - POW JV (50%)	31-Mar-23	590.2	286,000
037-2020	KCB - POW JV (50%)	31-Mar-23	704.0	286,000
082-2018	KCB - LVR JV (Earn-in up to 90%)	30-Jun-21	126.0	1,425,000
083-2018	KCB - LVR JV (Earn-in up to 90%)	30-Jun-21	965.0	1,425,000
KCB sub-totals			2,385.2	3,422,000
GRAND TOTAL			9,351.0	7,375,125
				£ 491,675
Notes				
1	All PLs can be renewed			
2	BWP figures are PL exploration commitments to Government for 2021			
3	Exchange rate GBP1.00/BWP15.00			
4	PLs 155, 156, 157, 363 are in the south KSZ and are to be JVed			
5	PLs 169 & 010 form the Ditauf JV with Power Metals (POW): this represents 50% applicable to Kavango			
6	PLs 036 & 037 form the KCB JV with Power Metals (POW): this represents 50% applicable to Kavango			
7	Due to Covid-19 / change to strategy an application has been made to reduce PL169 costs to BWP300,000			
8	Commitments can be reduced by relinquishing PLs, or reducing km2, at any time			
9	Total expenditure commitment for 2021 is £491,675			
10	KCB - LVR JV - the amount is pro-rata for the period			

The minimum commitment to Government for PL expenditure for 2021 is £491,675 (see table above). This can be reduced *pro rata* if PLs are relinquished or PL areas reduced. The minimum commitment for 2020 is £409,700 and this has been satisfied already.

The conditions relating to the granting of PLs are outlined in the Mines and Minerals Act 1999 (Botswana). In summary, on application for a PL, the applicant must declare the programme of exploration work to be carried out and the amount of money that has to be spent on the licence for each year of the proposed licence tenure. Quarterly reports have to be submitted to the Director of Geological Survey. At the end of each year, accounts showing the amount of money spent during that year must be presented to the Government.

Upon application to renew a PL (this should occur prior to the expiry date), the applicant is required to set out similar information as was submitted upon initial application.

Applications for the renewal of prospecting licences (that can be renewed for a further term (or terms)) can be refused or rejected if the applicant has not carried out the work programmes and/or met the expenditure commitments agreed at the time the applicable prospecting licence was granted. The application could also be rejected if the proposed work programmes and/or expenditure commitments are considered by the Ministry of Mineral Resources to be inadequate for the renewed term. However, before any such application is rejected, the Minister shall usually give notice of the intended rejection and allow the applicant the opportunity to rectify the default or amend the proposed programme.

An initial prospecting licence is valid for a maximum of three years. On expiry, an application for renewal is permitted for a maximum of a further two years. Thereafter, an application for renewal for a further 2 years is permitted. Licences should be renewed provided (at each time) the applicant is not in default (as described above), and the Ministry considers that the proposed work programme and expenditure is adequate.

The only regulatory requirement is to carry out the work programme submitted at the time of application or renewal during the tenure of the PL.

All 14 PLs entitle Kavango Minerals to prospect for “*Metals*” which includes all precious metals, base metals and rare earth elements.

In the event that any PLs are relinquished or reduced prior to the end of 2021, the relevant work and expenditure commitments would reduce accordingly.

8. Surface Area and Location

The Group’s PLs have a combined surface area of 10,347.2 km².

The location of the three projects is shown in the map below:



9. Further information on the Projects

a. Kalahari Suture Zone (KSZ) Project

The Kalahari Suture Zone is part of a major magnetic discontinuity passing from the Northern Cape Province in South Africa through Botswana into Zimbabwe. The KSZ is interpreted as the suture along which the Kheis-Magondi Orogenic Belt (~1.8 Ga) meets the Kalahari Craton (combined Kaapvaal and Zimbabwe Cratons).

Knowledge of the regional geology in Botswana has been gradually gained over the past 50 years from isolated outcrops, extrapolation from better exposed areas in South Africa, geophysical surveys and most importantly, from drilling. Prior to the involvement of Kavango, the number of boreholes which are sufficiently deep and well enough documented to be geologically meaningful was however still very small with only 12 cored holes along and immediately adjacent to the almost 450 km long north-south trending Kalahari Suture Zone. This is an extremely small number for such a large and geologically and structurally complex area.

The KSZ licence block is almost entirely covered by semi-consolidated clayey and clastic sediments, unconsolidated aeolian sand and pan sediments of the Kalahari Group (late Cretaceous to recent) with thicknesses generally in excess of 30 m. Rare exceptions of outcropping strata exist along the edges of large dry pans like the Mabuasehube Pan (in PL166/2012) where Karoo and older sediments, believed to be from the Transvaal Supergroup (>2.05 Ga), are exposed.

The majority of the earlier boreholes, drilled by the Botswana Geological Survey (“BGS”) in 1981/1982 as part of the Central Kalahari Drilling Project, targeted a series of very large elongate magnetic anomalies identified from the reconnaissance aeromagnetic survey of western Botswana flown between 1975 and 1977. The north-south trend of magnetic anomalies was seen to correspond in part with a steep gravity gradient observed by the national gravity survey of Botswana in 1972/1973 along which Bouguer anomaly values increase sharply from east to west across the KSZ.

The inferred causative body of the linear magnetic anomalies was termed the Tshane Complex (Reeves, 1978) and modelling of the magnetic data showed the inferred mafic and ultramafic bodies to lie at depths between 200 m and 3,000 m below surface. More recent modelling of magnetic profiles across the KSZ by Zhou (1988) and Water Surveys Botswana (1994) showed the width of the magnetic bodies to range from 10 km to 40 km with depths of at least 700 m and gentle westerly dips in the southern portion of the KSZ and steep to near-vertical dips in the north. Geometric shapes, magnetic susceptibility and remanent magnetisation of the individual magmatic bodies reportedly vary widely (MPH, 1996).

Potential host rocks for Ni-Cu-PGE mineralisation in or adjacent to the Suture Zone exist in the form of ultramafic and mafic bodies of the Tshane Complex, pre- and late-Karoo intrusive dykes and sills with Insizwa-style sulphide segregation (Eastern Cape, South Africa) which are considered as feeders to the Karoo volcanic rocks making them analogous to Norilsk in Siberia.

The approximately 450 km long KSZ is clearly a feature of continental proportions and the discovery of new or previously unrecognized magmatic bodies is a distinct possibility. Recent lithogeochemical studies by Dr M. Prendergast (2015) on core samples from the 1981/1982 Kalahari Drilling Project (“KDP”) suggest that sulphide segregation occurred during the magmatic stage, potentially leading to Ni-Cu-PGE accumulation in the volcanic feeder system and near the base of larger differentiated intrusions. Prendergast based his findings on the Cu/Pd ratios of ten core samples from mafic bodies intersected in five KDP boreholes.

Exploration in the KSZ area by Kavango started in 2011 with a comprehensive review of Government geophysical data, maps and reports and the results of the Kalahari Drilling Project and other relevant published reports. After the granting of the first seven Prospecting Licences in 2012, Kavango covered all PLs with reconnaissance and in-fill geochemical soil sampling programmes complemented by ground magnetic and/or Controlled Source Magneto Tellurics (“CSAMT”) surveys on five of the seven PLs.

A combination of ground geophysics i.e. CSAMT and regional soil sampling was subsequently employed on two of five PLs acquired in 2014 and 2016. These methods are however not suitable to reliably detect deeper-seated disseminated or massive sulphides which prompted Kavango to consider a helicopter-based electromagnetic (“AEM”) survey which is well suited to detecting massive sulphides.

With over 5,000 km² of ground under licence, Kavango decided on a staged approach by conducting the AEM surveys in several Phases and to prioritise areas with the best potential for Ni-Cu-PGE mineralisation. Kavango engaged the services of Xpotential, a Cape Town based geoscientific consulting company, which, based on 3D modelling of published high resolution magnetic data, was able to identify portions of the KSZ within Kavango’s licence block where the targeted gabbroic host rocks were interpreted to be closest to surface. The prioritised portion was in the greater Hukuntsi area in the northern part of the KSZ and was selected for the Phase 1 VTEM survey, which was conducted by Geotech Airborne Geophysical Surveys from South Africa (“Geotech”).

In 2019, Kavango was made aware of the Danish company SkyTEM Surveys Ltd (“SkyTEM”) which had developed a new system with significantly reduced “noise” levels and capable of achieving an average depth penetration of approximately 400 m. SkyTEM was contracted by Kavango in February 2019 to conduct Phase 2 of the planned EM survey which involved the flying of a further 2,000 line kms at a 500 m line spacing over an area immediately north of the Geotech flight block. The Danish company Aarhus Geophysics Ltd (“AarhusGeo”) was engaged by Kavango to process the EM data and construct 3D models. A total of 51 conductors were identified from which 27 conductors are single flight line anomalies.

Although the SkyTEM system was able achieve deeper levels of penetration, the conductivity of the Karoo sediments, as well as the overlying Kalahari beds, prevented an accurate assessment of the depth and nature of the gabbroic intrusives. This was further exacerbated by saline groundwaters, which absorbed much of the EM signal. However, the analysis of the EM data allowed Kavango to construct a geological model of the KSZ in the area north of Hukuntsi. Whilst this model was not a true 3D model, it allowed Kavango’s geologists to construct profiles and identify the position of the gabbro intrusives (sills), as well as the thickness of both the Kalahari sediments and the Karoo strata.

To ground truth the EM model and to obtain core intersections of the Karoo gabbro, a 1,000m drilling programme was carried out in November 2019. A total of 6 holes were drilled and core was collected from the intrusives for analysis. However, the thickest sill intersected was only 16.5m thick, which was less than expected.

The difficulties experienced with the AEM prompted the company to investigate the development of a 3D computerised magnetic model. This required the collection of data from both the AEM programmes (magnetic surveying was done at the same time) as well as the published regional magnetic surveys. This data had to be combined with magnetic susceptibility readings from as many drill holes as could be found. Fortunately, Botswana has kept in storage core from nearly every hole ever drilled in the area as well as chippings from water boreholes. Readings were taken from these holes and combined with readings from Kavango’s own 1,000m drill programme. The 3D magnetic model programme was begun in March 2020 and was a joint project by Kavango’s geologists and Mira Geoscience, a world leader in the development of geological 3D modelling.

By carefully monitoring the magnetic susceptibility of the various rock units with depth, the algorithms developed by Mira Geoscience were able to interpret the readings from the airborne magnetic surveys to construct a 3 dimensional magnetic model of the geological units down to depths in excess of 1,000m.

The magnetic modelling clearly shows the position, thickness and orientation of the various gabbroic sills in both plan and sectional view. Some of these demonstrate a remarkable similarity to those seen at Norilsk. They tend to have relatively thin planar extremities extending into the sulphur rich shales of the Ecca Series rocks of the Lower Karoo, with a much thicker core (or “keel”) extending, in some cases, to over 500m thick. Kavango believes that it is in these much thicker “keels” that the dense metal sulphide liquid, will have migrated whilst the gabbroic sill was still in its molten state.

A review of the work undertaken by Kavango to date was compiled by Professor David Holwell, a leading authority on magmatic sulphide mineralisation at the University of Leicester, and his report was published in June 2020. The review lists 7 characteristics of the KSZ which are typical of magmatic sulphide deposits worldwide. He concludes that, in his view, the KSZ has the potential to host Norilsk type mineralisation.

KSZ Work Programme 2021

Kavango Minerals has prepared a staged exploration programme with some ground based geophysics followed by drilling programme of approximately 5-10,000m over anomalies identified by the 3D geological model over the northern (Hukuntsi) section of KSZ area. It is envisaged that the Company will drill up to 20 holes covering each of several defined conductor anomalies to average depths of 250-350m each. A drilling budget of up to £340,000 has been assumed for the period. Depending on results the Company might continue drilling or decide to complete extend exploration to the central and southern portions of the KSZ

The budget for next phase of work on the KSZ set out below

Planned activity - KSZ Project	Cost (GBP)
Ground based EM surveying over potential drill targets	20,000
Drilling and assays (10-20 holes)	340,000
Logistics, camp and geology staff etc	90,000
Total	450,000

b. Kalahari Copper Belt Project (KCB)

Mineral exploration for base metals in the Ghanzi-Chobe belt has been ongoing since the late 1960s. Copper mineralisation within the Ghanzi Group was discovered in the Ngwako Pan area in the late 1960s. Regional correlation with working mines in Namibia (e.g. Klein Aub), and the possible similarity to the Zambian Copperbelt, then with a booming mining sector, resulted in intensified mineral exploration along the Ghanzi-Chobe belt (Modie, 2000). Historical exploration activity and cumulative tonnage and resource definition in the last 10 to 15 years is clearly apparent.

In September 2019 Kavango signed an MOU with a local Botswana company, LVR GeoExplorers (Pty) Ltd, who had been awarded 2 exploration licences on the KCB. One of these licences (PL 082/2018) lies just north of Sandfire's T3 mine development and is bisected by the main Ghanzi to Maun highway. The other (PL 083/2018) lies in the southwestern part of the Botswana portion of the KCB in an area previously explored by BCL (a former Botswana State owned mining company).

A Joint Venture Agreement was signed in February 2020, which allowed for Kavango to earn-in a 90% interest in either or both of the licences in exchange for taking the project through (in stages) to bankable feasibility. The first 25% interest can be earned on completion of an expenditure of £92,000.

Due to the Coronavirus pandemic, exploration was delayed until August 2020, when Kavango's field teams were permitted to enter the area. Soil sampling has now begun over magnetic anomalies identified from the regional magnetic surveys.

In November of 2019, Kavango was granted a further two exploration licences totalling 1,294km² (PL 036/2020 and PL 037/2020). These licences lie immediately south of the town of Ghanzi. Work is due to start on these licences in the first week of October.

KCB Work programme 2021

Exploration across the Company's interests in the KCB will initially focus on soil sampling and geophysics, using CSAMT to identify dome structures that are known to host potential copper deposits.

Soil samples will be taken along 55km of traverse lines across the four prospecting licenses, at 50m intervals. The samples will then be sent to a laboratory in Johannesburg for comparative analysis. The traverse lines will seek to identify anomalous, potentially mineralised, horizons for follow up exploration.

If results warrant, an AEM survey will be considered. Geology of the area is well known and the Company will work quickly towards test drilling, once it has been able to develop its exploration model.

The budget for the next phase of work on the KCB is set out below. Final figures will depend on discussions with JV partners.

Planned activity - KCB Projects - LVR & 50% POW JV	Cost (GBP)
Soil sampling and geophysics	86,000
Logistics, camp and geology staff etc	16,000
Total	102,000

c. Ditaú Project

The original licence (PL169/2012) was granted to Kavango in 2012 and applied for after a number of “ring structure” like bodies were noted by Kavango’s geologists on the regional magnetic survey map of Botswana. The licence is situated approximately 50 km east of the KSZ. Initially “Ditau” was grouped together by Kavango as part of the KSZ Project but in 2019 it became a project in its own right.

Early work involved regional soil sampling and more detailed sampling over the “ring structures”. Results showed a strong correlation between one of the ring structures (the Ditau magnetic anomaly) and high values for Cu, Zn, Fe and Pb. This was followed in 2018 by a series of CSAMT and ground magnetic surveys which defined two strong conductivity zones over the (7km x 5km) Ditau anomaly at a depth of between 150m and 300m.

In early 2019 an RC/core drill programme was conducted on the Ditau anomaly. Two boreholes collars were sited on the two separate EM anomalies and intersected Kalahari and Karoo sediments to a maximum depth of 470 m. No base or precious metal mineralisation was observed. However, assay and whole rock geochemistry results from the two holes confirmed the presence of an extensive zone of highly altered Karoo sediments extending to over 300m in depth in both holes, which were 1.8km apart.

The geochemistry obtained from the drill core suggested that the alteration was due to “fenitization”, a type of extensive alteration associated with alkali magmatism and carbonatites. Carbonatites are volcanic plugs and intrusives whose main constituents are magnesium or calcium carbonate. They are the major global source of Rare Earth Elements (REEs) including the much sought after elements Neodymium (Nd) and Praseodymium (Pr), which are used in the manufacture of the new generation of electric vehicles (EVs), magnets, batteries and other high tech applications.

Recognising that the magnetic anomalies at Ditau probably represented a cluster of alkali ring structures (including at least one possible kimberlite), Kavango decided to apply for a second PL, (PL 010/2019, 916.4km²) which was granted in June of 2019. This resulted in 10 “ring structures” being included in the 2 licences making up the Ditau Project

Kavango subsequently learned that the Canadian miner Falconbridge drilled into 3 carbonatites in the early 1970s at a location less than 25km from Ditau and hosted by similar Karoo country rocks.

The carbonatites that Falconbridge intersected were of post Karoo age and lie just below the Kalahari sand cover and would therefore have been amenable to open pit mining. Any carbonatites discovered at Ditau are likely to be of the same age and lie relatively close to surface.

The one carbonatite sampled by Falconbridge (KW2) was reported to have had high grades of Niobium. The Falconbridge carbonatites now lie within a diamond exploration licence owned by De Beers. Kavango have now obtained permission to sample the KW2 carbonatite and conduct orientation geophysical surveys to assist in the exploration for carbonatite intrusive rock at Ditau.

In early 2020, Kavango agreed to joint venture the Ditau Project to Power Metal Resources plc (“POW” or “Power Metal”). The agreement would allow Power Metal to acquire a 51% interest in the project in a deal involving an earn-in and the exchange of shares

Ditau Work Programme 2021

Orientation survey work is planned at the Falconbridge carbonatites, which are located in license areas currently held by De Beers. Kavango has secured permission to complete this survey work. The survey work will enable Kavango and its Joint Venture Partner, Power Metal Resources Plc (POW), to determine the equipment necessary to survey the ten ring structures at Ditau. Under the terms of the agreement, POW will fund the first \$75,000 of this and other exploration work during Year 1 and the first \$75,000 spent during Year 2 of the Joint Venture. This will cover initial spending commitments and further exploration work will be contingent on results.

The budget for the next phase of work at the Ditau project is set out below. Final figures will depend on discussions with out JV partner.

Planned activity - Ditau Project - 50% POW JV	Cost (GBP)
Carbonatite orientation geophysics	26,000
Logistics, camp and geology staff etc	8,000
Total	34,000

Further discretionary funds of up to £900,000 are expected to be held in reserve from the Net Proceeds to expand and accelerate work at the KSZ, KCB or Ditau projects if exploration results warrant.

d. Risks and Opportunities

Botswana is ranked in the top 10 countries globally for mining investment attractiveness by the Fraser Institute (Fraser Institute Annual Survey of Mining Companies 2018). The Fraser Institute is an independent, non-partisan research and educational organisation based in Canada. The country is a stable pro-mining jurisdiction, and supportive of mineral exploration and development.

The KSZ Project is conceptual in nature and there is no guarantee that the targeted Ni-Cu-PGE mineralisations associated with various intrusive magmatic bodies are present in economic quantities, moderate depth levels and in the areas covered by Kavango's PLs. None of the gabbroic bodies intersected to date show Ni-Cu-PGE enrichment but the geological and tectonic setting of the KSZ are considered to be sufficiently prospective to be tested with a drill programme on carefully selected EM anomalies which have been confirmed by CSAMT and are supported by geological and structural considerations. The extreme paucity of available data over the approximately 450 km strike length of the KSZ presents a unique opportunity to make a new discovery in this almost virgin geological terrain.

In early 2019, Kavango drilled two diamond holes on the 'Ditau camp' anomaly in PL169/2012 which had emerged as one of the priority areas for follow-up drilling. Ditau is situated approximately 70 km east of the KSZ. The anomaly had been soil sampled and consists of a sub-circular magnetic feature with a diameter of approximately 4 km within which several EM conductors have been observed. The boreholes collars were sited on two separate EM anomalies and intersected Kalahari and Karoo sediments to a depth of approximately 470 m followed by pre-Karoo rocks. No base or precious metal mineralisation was observed which could explain the modelled EM conductors.

The Kalahari Copperbelt is currently a prime focus in the exploration for sediment-hosted stratabound copper-silver deposits. The region is under-explored and has experienced an accelerated discovery rate over the last 10 to 15 years with the delineation of significant new Mineral Resources.

Much of this exploration has been focussed on the Ghanzi Ridge area northeast of Ghanzi where the Kalahari cover is thinnest. The mineral belt is known to extend to the southwest into Namibia and significant potential remains to test the strike extension of mineralisation-controlling structures in the Ghanzi region.

The thickness of Kalahari cover is of critical importance for potentially economic deposits and needs to be assessed during the early stages of exploration.

e. Botswana Mining Investment Attractiveness

Botswana is ranked in the top 10 countries globally for mining investment attractiveness by the Fraser Institute (Fraser Institute Annual Survey of Mining Companies 2018). The country is a stable pro-mining jurisdiction, and supportive of mineral exploration and development.

10. Expenditure and Use of Proceeds

The reason for the Placing and the Subscription is to raise funds to meet the exploration costs in Botswana, office costs, JV commitments and general working capital as set out below.

The Net Proceeds of approximately £1,900,000 raised through the Placing and the Subscription, being the gross proceeds of £2,000,000, less transaction costs of approximately £100,000, will primarily be used to provide working capital to the Group and to meet its regulatory and administrative commitments and to carry out proposed exploration work programmes. Kavango's proposed work programme is focused principally on the KSZ Project with small amounts allocated to two KCB Project PLs which are the subject of the LVR farm-in agreement and two KCB Project PL's and two Ditau PL's which are subject to the Power Metal agreement.

Kavango Minerals is exploring for Ni-Cu-PGE rich massive sulphide orebodies associated with mafic/ultramafic intrusives emplaced within lower Karoo sediments. The area covered by Kavango's KSZ licences displays a geological setting with distinct similarities to that hosting world class magmatic sulphide deposits such as those at Norilsk (Siberia) and Voisey's Bay (Canada).

The Norilsk mining centre is about 2,800km northeast of Moscow and accounts for 90% of Russia's nickel reserves, 55% of its copper and virtually all of its PGMs. Kavango's licenses in the KSZ display a geological setting with distinct geological similarities to the magmatic sulphide deposits at Norilsk. Magma plumbing systems are a key feature of these deposits.

As with most exploration and appraisal projects, the amounts to be expended (save for the amounts payable in respect of maintaining the PLs in good standing) are discretionary and will depend, to a large degree, on the results of the ongoing work programmes.

The Net Proceeds of the Placing and the Subscription are estimated to be £1,900,000. The Net Proceeds are expected to be used as follows:

1. The budget for Botswana is £586,000 all of which is included in exploration expenditure. This represents 119% of expenditure commitments of £491,675 (being the Minimum Commitment for 2021). The £586,000 will be allocated
 - a. £448,000 for drilling and other work on the KSZ.
 - b. £84,000 for LVR farm-in agreement.
 - c. £54,000 for the POW JV.
 - d. £900,000 discretionary exploration expenditure in Botswana, to allow work to expand and accelerate if exploration results warrant.
2. The budget for UK head office costs to 31 December 2021 is £338,000. This amount adequately covers all non-discretionary commitments estimated as £15,000 for regulatory costs.

If mineralisation is discovered at any of the Project sites, the Group will consider raising further funding after 12 months from the date of this Document if the Directors elect to further advance the development of such mineralisation. It is most likely that any additional funding would, initially, be in the form of equity although the Directors would not rule out accepting debt financing and/or enter into joint venture arrangements if reasonable terms could be agreed.

11. Trends

The Covid-19 pandemic has had a devastating effect on many personal lives and on the global economy. The mining sector is far from immune to this disruption. But despite the economic dislocation underway, prices in several metals markets have actually gone up year-to-date and mining equities have outperformed many other sectors. This is in notable contrast to previous cycles, where mining equities and metals prices have tended to be more leveraged to downturns.

Whilst there is general pessimism about the economic outlook, Roskill are still optimistic that demand for most metals will eventually recover back to pre-Covid levels. That recovery will likely be quicker for steel raw materials, demand for which is more China-centric.

Compared to its state at the start of the global financial crisis, the mining sector is structurally much better positioned to weather the current crisis and the resilience of metals prices and mining equities to the downturn has, so far, been remarkable. Roskill's index of metal prices remains 25% above its previous cyclical lows and it is only modestly down for the year-to-date. This resilience partly reflects falls in price that had already taken place in 2019 and as supply adjustments in several markets have offset the effects of lower demand. There may, though, be some general price weakness in the next two quarters as supply disruptions caused by Covid-19 are resolved and as some later inventory destocking is possible.

(Source: Roskill White Paper dated 11 June 2020 titled 'Impact of Covid-19 on the Mining Sector')

12. Group Resources & Reserves

At this stage, there are no resource or reserve estimates available.

13. Group's shareholders, structure and employees

13.1 Principal shareholders

Immediately prior to Admission, the following Shareholders own 163,346,042 Ordinary Shares representing 84.66 per cent. of the issued shares of the Company:

Shareholder	At the date of this Document		Immediately following the Placing, the Subscription and Admission	
	Number of Ordinary Shares	Percentage of issued share capital	Number of Ordinary Shares	Percentage of Enlarged Share Capital following Admission
JIM Nominees Limited	30,207,155	15.67%	101,443,519	38.18%
Share Nominees Limited	20,477,139	10.62%	20,477,139	7.71%
Hargreaves Lansdown	14,745,007	7.64%	14,745,007	5.55%
Peter O Anderton	14,486,796	7.51%	14,486,796	5.45%
Jose Medeiros	13,492,500	6.99%	13,492,500	5.08%

Interactive Services Limited	Investor Nominees	11,541,432	5.98%	11,541,432	4.34%
Charles Michael Moles (*)		11,092,500	5.75%	11,092,500	4.18%
Hillary Gumbo (*)		11,092,500	5.75%	11,092,500	4.18%
Douglas Wright (*)		9,400,001	4.87%	9,400,001	3.54%
John Forrest (*)		7,664,998	3.96%	7,664,998	2.89%
HSDL Limited	Nominees	6,910,299	3.58%	6,910,299	2.60%
Michael Foster (*)		6,365,000	3.30%	6,365,000	2.40%
Adrian Crucifix		5,870,715	3.04%	5,870,715	2.21%

(*) Denotes a Director/Senior Manager

- *Teresa Giovetty-Foster, Michael Foster's wife, holds 1,000,000 Ordinary Shares equating to approximately 0.52% as at the date of this Document and approximately 0.38% on Admission*

Following completion of the Placing, the Subscription and Admission, the above Shareholders will own 234,582,406 Ordinary Shares representing 88.29 per cent. of the Enlarged Share Capital, further details of which are set out in of Part XI of this Document.

14. Taxation

Further information on taxation with regards to the Ordinary Shares and the effect on the Company's domicile is set out in Part X of this Document.

15. Admission to a Standard Listing on the Official List

The Ordinary Shares have been traded on the Official List of the London Stock Exchange, by way of a Standard Listing, since 31 July 2018.

The Company has now published the Document, which has been approved by the FCA and accordingly, applications have been made for the New Ordinary Shares to be admitted to trading on the Official List of the London Stock Exchange. It is anticipated that the Admission and dealings in the New Ordinary Shares are expected to commence at 8.00 a.m. on 7 December 2020.

In accordance with Listing Rule 14.2.2, the Company and the Directors have ensured that, the Company has, and following Admission will continue to have, sufficient shares in public hands (25 per cent.) as defined in the Listing Rules.

16. Risk factors

Prior to investing in the New Ordinary Shares, prospective investors should consider, together with the other information contained in this Document, the factors and risks attaching to an investment in the Company including, in particular, the factors set out in the section entitled "Risk Factors" in Part II of this Document.

17. Further information

The attention of prospective investors is also drawn to the remainder of this Document, which contains further information on the Group.

PART VII
SHARE CAPITAL, THE PLACING AND THE SUBSCRIPTION

1. Share Capital

On 31 May 2017, the date of its incorporation, the Company issued 5,000,000 Ordinary Shares of £0.001 each to each of Michael Foster, John Forrest and Douglas Wright (the “Founders”).

On 27 October 2017, it allotted a further 3,210,000 Ordinary Shares to each of the Founders and 1,000,000 at the election of Lesley Wright in consideration of an arrangement fee due to her.

Pursuant to the terms of the Acquisition Agreement dated 7 December 2017, the Company issued a further 44,370,000 Ordinary Shares to the Navassa Shareholders pro rata to their shareholding in Navassa at the time of the Acquisition.

On 21 December 2017 (that is, post the Acquisition), the Company allotted 4,169,996 Ordinary Shares under the Pre-Financing Placing to the Pre-Financing Placees at a subscription price of £0.06 per share with 4,169,996 Warrants issued to the Pre-Financing Placing Placees on the basis of one Pre-Financing Warrant for each share subscribed for in the Pre-Financing Placing.

On 31 July 2018 the Company allotted a further 60,000,000 Ordinary Shares at 2.5p per share under the 2018 Placing to the 2018 Placees, and 60,000,000 2018 Placing Warrants to the 2018 Placees on the basis of one Placing Warrant for each Ordinary Share subscribed for in the 2018 Placing. The Company also issued 2,600,000 SI Capital 2018 Broker Warrants at 2.5p per share.

On 6 November 2018, the Company granted options over an aggregate 12,000,000 Ordinary Shares to the Directors and Senior Managers and approved unallocated options over 1,400,000 Ordinary Shares (the “November 2018 Options”). 2,400,000 November 2018 Options were granted to each of Douglas Wright, Michael Foster, Charles Michael Moles, Hillary Gumbo and John Forrest. 1,400,000 November 2018 Options remained unallocated. The November 2018 Options were fully vested on the date of granting. The exercise price of each November 2018 Option is 2.5p. The option holders can exercise their respective November 2018 Options at any time prior to 5 November 2028.

On 25 February 2019 the Company allotted a further 17,857,142 Ordinary Shares at 2.8p per share pursuant to a placing conducted by SI Capital Limited, and 17,857,142 12P 2019 Placing Warrants on the basis of one 12P 2019 Placing Warrant for each Ordinary Share subscribed for.

On 5 March 2019 the Company allotted for a further 8,928,571 Ordinary Shares at 2.8p per share pursuant to a placing conducted by Turner Pope Investments (TPI) Limited, and 8,928,571 12P 2019 Placing Warrants on the basis of one 12P 2019 Placing Warrant for each Ordinary Share subscribed for.

On 11 March 2019 and in connection with the placings on 25 February 2019 and 5 March 2019, the Company issued 892,857 SI Capital 2019 Broker Warrants at 2.8p per share and 535,714 Turner Pope 2019 Broker Warrants also at 2.8p per share. Further details of the SI Capital 2019 Broker Warrants and the Turner Pope 2019 Broker Warrants are set out at paragraph 2.2.4 and 4 of Part XI (Additional Information)

On 1 May 2019, the Company reallocated the distribution of the November 2018 Options amongst the Directors and Senior Managers following the February 2019 Placing and March 2019 Placing which increased the issued share capital of the Company (the “Reallocated November 2018 Options”). 2,680,000 Reallocated November 2018 Options were granted to each of Douglas Wright, Michael Foster, Charles Michael Moles, Hillary Gumbo and John Forrest. The terms and conditions of the Reallocated November 2018 Options remained the same as the November 2018 Options and as set out at paragraph 5 of Part XI (Additional Information).

On 1 May 2019, the Company also granted options over an aggregate 2,500,000 Ordinary Shares to the Directors and Senior Managers and approved unallocated options over 100,000 Ordinary Shares (the “May 2019 Options”). 500,000 May 2019 Options were granted to each of Douglas Wright, Michael Foster, Charles Michael Moles, Hillary Gumbo and John Forrest. 100,000 May 2019 Options remain unallocated as at the date of this Document. The May 2019 Options were fully vested on the date of granting. The exercise price of each May 2019 Option is 2.8p. The option holders can exercise their respective May 2019 Options at any time prior to 1 May 2029.

On 15 April 2020, £468,487 was raised by way of:

(1) a placing of £218,000 for the issuance of 27,500,000 Ordinary Shares;

- (2) the issue of a £38,000 zero coupon convertible loan note ('Zero Coupon Convertible Loan Notes') to POW convertible into 4,750,000 Ordinary Shares;
- (3) the issue of a £102,500 series of 10% unsecured convertible loan note ('10% Convertible Loan Notes');
- (4) the issue of a further £109,987 of 10% Convertible Loan Notes for cash of £18,132 and in payment of the balance of arrears of remuneration; and
- (5) the granting of an aggregate 58,560,875 warrants to the April 2020 Placees and holders of the Zero Coupon Convertible Loan Notes and 10% Convertible Loan Notes, exercisable at 1p per share (the 'A Warrants'). If the A Warrants are exercised prior to 15 April 2021, a second warrant will be granted exercisable at 2.5p prior to 15 April 2023 (a 'B Warrant').

On 5 May 2020, the Company granted options over an aggregate 2,725,000 Ordinary Shares to the Directors and Senior Managers (the "May 2020 Options"). 500,000 May 2020 Options were granted to each of Douglas Wright, Michael Foster, Charles Michael Moles, Hillary Gumbo and John Forrest. 225,000 May 2020 Options were granted to Edgar Chiteka. The May 2020 Options were fully vested on the date of granting. The exercise price of each May 2020 Option is 0.8p. The option holders can exercise their respective May 2020 Options at any time prior to 5 May 2030.

On 31 July 2020, the Pre-Financing Placing Warrants, the 2018 Placing Warrants, the SI Capital 2018 Broker Warrants and the 12P 2019 Placing Warrants lapse, with none having been exercised.

Further details of the Company's share capital are also set out in Part XI (Additional Information) of this Document.

2. Placing, Subscription and Pricing

The reason for the Placing and the Subscription is to raise funds to meet the exploration costs in Botswana, office costs, JV commitments and general working capital as set out below.

The Net Proceeds of approximately £1,900,000 raised through the Placing and the Subscription, being the gross proceeds of £2,000,000, less transaction costs of approximately £100,000, will primarily be used to provide working capital to the Group and to meet its regulatory and administrative commitments and to carry out proposed exploration work programmes. Kavango's proposed work programme is focused principally on the KSZ Project with small amounts allocated to two KCB Project PLs which are the subject of the LVR farm-in agreement and two KCB Project PL's and two Ditau PL's which are subject to the Power Metal agreement.

Kavango Minerals is exploring for Ni-Cu-PGE rich massive sulphide orebodies associated with mafic/ultramafic intrusives emplaced within lower Karoo sediments. The area covered by Kavango's KSZ licences displays a geological setting with distinct similarities to that hosting world class magmatic sulphide deposits such as those at Norilsk (Siberia) and Voisey's Bay (Canada).

The Norilsk mining centre is about 2,800km northeast of Moscow and accounts for 90% of Russia's nickel reserves, 55% of its copper and virtually all of its PGMs. Kavango's licenses in the KSZ display a geological setting with distinct geological similarities to the magmatic sulphide deposits at Norilsk. Magma plumbing systems are a key feature of these deposits.

As with most exploration and appraisal projects, the amounts to be expended (save for the amounts payable in respect of maintaining the PLs in good standing) are discretionary and will depend, to a large degree, on the results of the ongoing work programmes.

The Net Proceeds of the Placing and the Subscription are estimated to be £1,900,000. The Net Proceeds are expected to be used as follows:

1. The budget for Botswana is £586,000 all of which is included in exploration expenditure. This represents 119% of expenditure commitments of £491,675 (being the Minimum Commitment for 2021). The £586,000 will be allocated
 - a. £448,000 for drilling and work on the KSZ.
 - b. £84,000 for LVR farm-in agreement.
 - c. £54,000 for the POW JV.
 - d. £900,000 discretionary exploration expenditure in Botswana, to allow work to expand and accelerate if exploration results warrant.
2. The budget for UK head office costs to 31 December 2021 is £338,000. This amount adequately covers all non-discretionary commitments estimated as £15,000 for regulatory costs.

All New Ordinary Shares issued pursuant to the Placing and the Subscription will be issued at the placing price of £0.0275 which has been determined by the Directors.

The Placing and the Subscription are conditional on Admission occurring on or before 7 December 2020 (or such later date being no later than 7 January 2021 as agreed by the Joint Brokers and the Company). The Company has raised £2,000,000 gross in the Placing and the Subscription. Irrevocable commitments have been received in respect of 72,727,273 New Ordinary Shares. No expenses of the Placing, the Subscription or Admission will be charged to Placees and Subscribers.

Conditional upon Admission occurring and becoming effective by 8.00 a.m. London time on or prior to 7 December 2020 (or such later date being no later than 7 January 2021 as agreed by the Joint Brokers and the Company) each of the Placees and the Subscribers agrees to become a member of the Company and agrees to subscribe for those New Ordinary Shares set out in his Placing or Subscription commitment. To the fullest extent permitted by law, investors will not be entitled to rescind their agreement at any time.

In the event that Admission does not become effective by 8.00 a.m. London time on or prior to 7 December 2020 (being no later than 7 January 2021 as agreed by the Joint Brokers and the Company), Placees and Subscribers will receive a full refund of monies subscribed.

The rights attaching to the New Ordinary Shares issued pursuant to the Placing and the Subscription will be uniform in all respects and all of the Ordinary Shares will form a single class for all purposes. The Placing and the Subscription are not subject to an underwriting agreement.

3. Admission, Dealings and CREST

The Placing and the Subscription are subject to Admission occurring on or before 7 December 2020 (or such later date being no later than 7 January 2021 as agreed by the Joint Brokers and the Company).

Admission is expected to take place and unconditional dealings in the Ordinary Shares are expected to commence on the London Stock Exchange at 8.00 a.m. on 7 December 2020. Dealings on the London Stock Exchange before Admission will only be settled if Admission takes place. All dealings in Ordinary Shares prior to commencement of unconditional dealings will be at the sole risk of the parties concerned. The expected date for electronic settlement of such dealings will be 7 December 2020.

All dealings between the commencement of conditional dealings and the commencement of unconditional dealings will be on a “when issued basis”. If the Placing and the Subscription do not become unconditional in all respects, any such dealings will be of no effect and any such dealings will be at the risk of the parties concerned.

Where applicable, definitive share certificates in respect of the Ordinary Shares to be issued pursuant to the Placing and the Subscription are expected to be despatched, by post at the risk of the recipients, to the relevant holders, in the week commencing 14 December 2020. The Ordinary 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 Ordinary Shares which are held in certificated form, transfers of those Ordinary Shares will be certified against the register of members of the Company. No temporary documents of title will be issued.

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

4. Payment

Each Placee or Subscriber has agreed to return the signed Placing Letters or Subscription Letters to First Equity or SI Capital (as applicable), who will be the CREST counterparty to the Placees or Subscribers in respect of the entire Placing and Subscription which will be settled, DVP, on Admission. Each Placee and Subscriber has sent its respective aggregate Placing Price for its respective allocation of New Ordinary Shares issued pursuant to the Placing or the Subscription to the bank account of First Equity or SI Capital, as applicable. Liability (if any) for stamp duty and stamp duty reserve tax is as described in Part X of this Document. If Admission does not occur, placing or subscription monies will be returned to each Placee or Subscriber without interest, by the Company.

5. Use of Proceeds

The Net Proceeds of approximately £1,900,000 raised through the Placing and the Subscription, being the gross proceeds of £2,000,000, less transaction costs of approximately £100,000, will primarily be used to provide working capital to the Group (including funding the Minimum Commitment for 2021), and to meet its regulatory and administrative commitments and to carry out those matters set out in Part VI of this Document.

6. Selling restrictions

The Ordinary Shares have not been and 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.

The Placing and the Subscription is being offered and sold outside the United States in “offshore” transactions exempt from the registration requirements of the U.S. Securities Act of 1933 in reliance on Regulation S. The Company has not been and will not be registered under the US Investment Company Act, and Investors will not be entitled to the benefits of that Act.

7. Transferability

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

PART VIII
DIRECTORS, SENIOR MANAGERS AND CORPORATE GOVERNANCE

1. Directors

The Board currently consists of 3 Directors, 1 Executive Director and two Non-Executive Directors.

Any further appointments to the Board would be made after due consideration to the Company's requirements and to the availability of candidates with the requisite skills and where applicable, depth of sector experience.

Details of the current Directors and their backgrounds are as follows:

Douglas John Wright (*Non-Executive Chairman, aged 60*)

Douglas studied Business studies at NESCOT; and has more than 35yrs experience in finance mainly in the City of London. He was the Business Development director at the Stockbrokers Tilney's from 2002 with a responsibility to attract new business initially in the area of discretionary portfolio management and then subsequently within the alternative investments arena and a partner at Corporate Finance firm City & Westminster from 2006 where his remit included fund raising mostly for small cap stocks especially in the natural resources sector.

Michael James Elliot Foster (*Chief Executive Officer, aged 69*)

Michael is a graduate geologist from St Andrews University in Scotland with an MBA in Business Administration from London Business School. He has over 35 years' experience of all aspects of the mining industry, including exploration, mine development, operations and finance in a variety of commodities. He was formerly managing director of LSE listed Africa focused Reunion Mining Plc prior to its acquisition by Anglo American Plc. He has directed a variety of corporate activity and worked throughout Africa (including Botswana where he started his career as an exploration geologist with De Beers), Central Asia, Eastern Europe, the Middle East and South America. He speaks French and Portuguese. Michael was formerly Chairman of Copperbelt Minerals Ltd, a company that discovered a 5mt contained copper deposit in DRC and managed Casa Mining's discovery of a 3m oz gold deposit in DRC, which was vended into Arc Minerals Ltd, listed on AIM.

Charles (“Mike”) Michael Moles (*Non-Executive Director, aged 70*)

Mike has a BSc (Geology) and a BSoc Sci (African Studies). He has 32 years' experience in mineral exploration in southern Africa. Initially with the Delta Gold Ltd, then as Exploration Manager for Reunion Mining (Zimbabwe) Ltd. In 1998, he became Consulting Geologist for Lonmin Gold before setting up his own company in 2001. He was a founding director of Mimic Mining Ltd, which was later sold to Impala Platinum. In 2001, he co-founded Millennium Mining and its parent company, Malawi Minerals Ltd (minerals sands). In 2005 he set up and managed Africoal Ltd in Mozambique to acquire exploration licences over the coalfields around Moatize/Tete. The company was sold two years later to the Australian junior, Riversdale Mining. In 2008, he became MD of Rio Mazowe Ltd, which explored for base minerals in Tete (Mozambique). In 2011, the company was sold to the ASX listed Battery Minerals Ltd. Mike is co-founder and director of Kavango Minerals with responsibility for strategy, funding and corporate affairs.

2. Senior Managers

Hillary Gumbo – Managing Director, Kavango Minerals (Pty) Ltd

Hillary was born in Matobo district of Zimbabwe in 1962. He graduated from the University of Zimbabwe (UZ) with a BSc in Geology and Physics (Honours) in 1984. In 1986, he graduated with an MSc Exploration Geophysics (UZ). He worked for Zimbabwe Mining Development Corporation from 1986 to 1990 when he joined Reunion Mining (Zimbabwe) Ltd till early 1999. He has worked as a geophysical consultant for a number of companies in Africa and the Middle East such as Mawarid Mining and Rockover Resources. He has been involved in a number of discoveries which include chrome at Anglo America's Inyala mine, Zimbabwe, Maligreen gold deposit and many kimberlites in Zimbabwe. In 2009 he setup 3D Earth Exploration in Botswana, a geophysical contracting and consulting company. In 2011, with Mike Moles he set up Kavango Minerals to explore for iron ore and base metals in Botswana. He is a Zimbabwean citizen, with Botswana residence status.

John Charles Forrest – Chief Financial Officer

Mr Forrest is a Chartered Professional Accountant. He qualified with Price Waterhouse in Canada and since 2004 has been based in London. While at Price Waterhouse he worked with mining clients including Inco Limited. His

company Logwood Financial Services Limited provides financial management services to companies involved in minerals exploration and he worked on several initial public offerings. For the past 35 years he has worked in a senior financial role with companies including Indomin Resources Limited, Central China Goldfields Limited and BDI Mining Corp with projects in Asia. Since 2006 he has worked as CFO with companies including Copperbelt Minerals Limited and Casa Mining Limited raising funds for exploration in Africa.

The Board

The Board currently comprises 3 Directors.

The Board is ultimately responsible for the day-to-day management of the Company's business, its strategy and key policies. Members of the Board are appointed by the Shareholders. The Board also has power to appoint additional directors, subject to such appointments being approved by Shareholders. At least 4 board meetings are to be held per year.

3. Dividend policy

The Company has never declared or paid any dividends on the Ordinary Shares. The Company currently intends to pay dividends on future earnings, if any, when it is commercially appropriate to do so. Any decision to declare and pay dividends will be made at the discretion of the Board and will depend on, among other things, the Company's results of operations, financial condition and solvency and distributable reserves tests imposed by corporate law and such other factors that the Board may consider relevant. 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 in the foreseeable future.

PART IX
HISTORICAL FINANCIAL INFORMATION ON THE COMPANY

This section has been incorporated by reference as detailed in the section of this Document entitled '*Relevant Documentation and Incorporation by Reference*', which can be found on page 75 of this Document.

PART X **TAXATION**

The following information is based on UK tax law and published HM Revenue & Customs ("HMRC") practice currently in force in the UK. Such law and practice (including, without limitation, rates of tax) is in principle subject to change at any time. The information that follows is for guidance purposes only. Any person who is in any doubt about his or her position should contact their professional advisor immediately.

Tax treatment of UK investors

The following information, which relates only to UK taxation, is applicable to persons who are resident in the UK, who are not employees and who beneficially own Ordinary Shares as investments and not as securities to be realised in the course of a trade. It is based on the law and practice currently in force in the UK. The information is not exhaustive and does not apply to potential investors:

- who intend to acquire, or may acquire (either on their own or together with persons with whom they are connected or associated for tax purposes), more than 10 per cent., of any of the classes of shares in the Company; or
- who intend to acquire Ordinary Shares as part of tax avoidance arrangements; or
- who are in any doubt as to their taxation position.

Such Shareholders should consult their professional advisers without delay. Shareholders should note that tax law and interpretation can change and that, in particular, the levels, basis of and reliefs from taxation may change. Such changes may alter the benefits of investment in the Company. Shareholders who are neither resident, nor temporarily non-resident, in the UK and who do not carry on a trade, profession or vocation through a branch, agency or permanent establishment in the UK with which the Ordinary Shares are connected, will not normally be liable to UK taxation on dividends paid by the Company or on capital gains arising on the sale or other disposal of Ordinary Shares. Such Shareholders should consult their own tax advisers concerning their tax liabilities.

Dividends

Where the Company pays dividends no UK withholding taxes are deducted at source, Shareholders who are resident in the UK for tax purposes will, depending on their circumstances, be liable to UK income tax or corporation tax on those dividends. UK resident individual Shareholders who are domiciled in the UK, and who hold their Shares as investments, will be subject to UK income tax on the amount of dividends received from the Company. Dividend income received by UK tax resident individuals currently has a £2,000 dividend tax allowance for 2020/21 and future years. Dividend receipts in excess of £2,000 will be taxed at 7.5 per cent. for basic rate taxpayers, 32.5 per cent. For higher rate taxpayers, and 38.1 per cent. for additional rate taxpayers.

Trustees of discretionary trusts are liable to account for income tax at the dividend trust rate, currently 38.1 per cent.

Shareholders who are subject to UK corporation tax should generally, and subject to certain anti-avoidance provisions, be able to claim exemption from UK corporation tax in respect of any dividend received but will not be entitled to claim relief in respect of any underlying tax.

Disposals of Ordinary Shares

A disposal of Ordinary Shares by Shareholder who is resident in the UK for tax purposes, or who is not resident but carries on business in the UK through a branch, agency or permanent establishment with which their investment in the Company is connected may give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of capital gains, depending on the Shareholder's circumstances and subject to any available exemption or relief.

Any gain arising on the sale, redemption or other disposal of Ordinary Shares will be taxed at the time of such sale, redemption or disposal as a capital gain. The rate of capital gains tax on disposal of Ordinary shares by basic rate taxpayers is 10 per cent, and for upper rate and additional rate taxpayers is 20 per cent.

For Shareholders within the charge to UK corporation tax, indexation allowance may reduce any chargeable gain arising on disposal of Ordinary Shares but will not create or increase an allowable loss.

Subject to certain exemptions, the corporation tax rate applicable to its taxable profits is currently 19 per cent.

Trustees of all trusts will be liable to capital gains tax at the rate of 20 per cent. on any chargeable gain, due regard having been given to the costs of acquisition of the shares together with any incidental costs of acquisition or disposal. A trustee is also entitled to deduct the annual exemption at £6,150. The above rates and allowances relate to the 2020/21 tax year.

Further information for Shareholders subject to UK income tax and capital gains tax

“Transactions in securities”

The attention of Shareholders (whether corporates or individuals) within the scope of UK taxation is drawn to the provisions set out in, respectively, Part 15 of the Corporation Tax Act 2010 and Chapter 1 of Part 13 of the Income Tax Act 2007, which (in each case) give powers to HM Revenue and Customs to raise tax assessments so as to cancel “tax advantages” derived from certain prescribed “transactions in securities”.

Stamp Duty and Stamp Duty Reserve Tax

The statements below are intended as a general guide to the current position. They do not apply to certain intermediaries who are not liable to stamp duty or SDRT or (except where stated otherwise) to persons connected with depositary arrangements or clearance services who may be liable at a higher rate.

Ordinary Shares held in certificated form

No UK stamp duty or stamp duty reserve tax will be payable on the issue of the Ordinary Shares. Most investors will purchase existing Ordinary Shares using the CREST paperless clearance system and these acquisitions will be subject to Stamp Duty Reserve Tax at 0.5 per cent. Where Ordinary Shares are acquired using paper (i.e. non-electronic settlement), stamp duty will become payable if the purchase consideration exceeds £1,000.

This summary of UK taxation issues can only provide a general overview of these areas and it is not a description of all the tax considerations that may be relevant to a decision to invest in the Company. The summary of certain UK tax issues is based on the laws and regulations in force as of the date of this Document and may be subject to any changes in UK laws occurring after such date. Legal advice should be taken with regard to individual circumstances. Any person who is in any doubt as to his tax position or where he is resident, or otherwise subject to taxation, in a jurisdiction other than the UK, should consult his professional adviser.

PART XI
ADDITIONAL INFORMATION

1. Responsibility

1.1 The Directors

The Directors, whose names, business address and functions appear on page 19 of this Document and the Company accept responsibility, both collectively and individually, 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. In connection with this Document, no person is authorised to give any information or make any representations other than as contained in this Document and, if given or made, such information or representation must not be relied upon as having been so authorised.

2. The Company and its share capital

2.1 The Company

The Company was incorporated and registered in England and Wales as a company limited by shares on 31 May 2017 under the Companies Act, with the name F2D Minerals Limited and with registered number 10796849. The Company conforms to the laws of England and Wales.

The Company changed its name from F2D Minerals Limited to Kavango Resources Limited on 19 December 2017 and converted from a private limited company to a public limited company on 24 January 2018.

The registered office, telephone number and principal place of business of the Company are set out in Part IV of this Document.

The Company is subject to the Listing Rules and the Disclosure Guidance and Transparency Rules (and the resulting jurisdiction of the FCA) to the extent such rules apply to companies with a Standard Listing pursuant to Chapter 14 of the Listing Rules.

The principal legislation under which the Company operates, and pursuant to which the Ordinary Shares were created is the Companies Act. The Company operates in conformity with its constitution.

The liability of the members of the Company is limited.

The accounting reference date of the Company is 31 December and the current accounting period will end on 31 December 2020.

2.2 Share Capital

2.2.1 The following table shows the issued and fully paid share capital of the Company (comprising of the 192,955,709 Existing Ordinary Shares at the date of this Document but not including those Ordinary Shares conditionally allotted pursuant to the Placing and the Subscription):

Number of issued Ordinary Shares (fully paid)	Issued share capital
192,955,709	£192,955.70

2.2.2 Upon Admission, the Enlarged Share Capital of the Company, comprised of the 192,955,709 Existing Ordinary Shares in issue at the date of this Document, together with the 72,727,273 New Ordinary Shares issued pursuant to the Placing and the Subscription, will be as follows:

Number of issued Ordinary Shares (fully paid)	Enlarged Share Capital
265,682,982	£265,682.98

2.2.3 Upon the Additional Shares being issued on full exercise of the Warrants, the 10% Convertible Loan Notes (including interest element) and the Options, the Fully Diluted Share Capital of the Company, comprised of the 192,955,709 Existing Ordinary Shares in issue at the date of this Document, together with the Placing Shares, the Subscription Shares and the 244,950,808 Additional Shares, will be as follows:

Number of issued Ordinary Shares (fully paid)	Fully Diluted Share Capital
510,633,790	£510,633.79

2.2.4 The number of warrants in issue at Admission will be as follows:

Warrant type	Number of warrants	Percentage of Enlarged Share Capital	Exercise price	Exercise period
SI Capital 2019 Broker Warrants	892,857	0.3361%	2.8p	Expiry date of 12 March 2021
Turner Pope 2019 Broker Warrants	535,714	0.2016%	2.8p	Expiry date of 12 March 2021
A Warrants ⁽¹⁾	58,560,875	22.0416%	1p	Expiry date of 28 April 2023
Warrants related to interest ⁽¹⁾	1,680,975	0.6327%	1p	Expiry date of 28 April 2023
2020 Broker Warrants	6,706,364	2.5242%	4.25p	30 months from the date of issue
Placing Warrants	72,727,273	27.3737%	4.25p	30 months from the date of issue
Total:	141,104,058	53.1099%		

⁽¹⁾ 26,560,875 of these warrants are only granted upon conversion of convertible loan notes with a principal value of £212,487. 1,680,975 warrants are reserved for interest included in the conversion amount when the convertible loan notes are converted (“Interest Warrants”). If the A Warrants are exercised prior to 15 April 2021, a second warrant will be granted exercisable at 2.5p prior to 15 April 2023 (a ‘B Warrant’)

2.2.5 12,000,000 November 2018 Options, 1,400,000 Reallocated November 2018 Options, 2,500,000 May 2019 Options and 2,725,000 May 2020 Options have been granted. The terms of the November 2018 Options, Reallocated November 2018 Options, May 2019 Options and May 2020 Options are set out in paragraph 5 of this Part XI.

2.2.6 The following is a summary of the changes in the issued share capital of the Company from incorporation:

Date	Event
31 May 2017	15,000,000 Ordinary Shares issued to the Founders
27 October 2017	9,630,000 Ordinary Shares issued to the Founders
27 October 2017	1,000,000 Ordinary Shares issued to Lesley Wright
7 December 2017	44,370,000 Ordinary Shares issued to the Navassa Shareholders
21 December 2017	4,169,996 Ordinary Shares issued to the Pre-Financing Placees with Pre-Financing Placing Warrants attached on a one for one basis

31 July 2018	60,000,000 Ordinary Shares issued to the 2018 Placees, with 2018 Placing Warrants attached on a one-for-one basis and 2,600,000 SI Capital 2018 Broker Warrants. The warrants expired on 31 July 2020
25 February 2019	17,857,142 Ordinary Shares issued in a placing conducted by SI Capital, with 12P 2019 Placing Warrants attached on a one-for-one basis and 892,857 SI Capital 2019 Broker Warrants
5 March 2019	8,928,571 Ordinary Shares issued in a placing conducted by Turner Pope, with 12P 2019 Placing Warrants attached on a one-for-one basis and 535,714 Turner Pope 2019 Broker Warrants
15 April 2020	27,250,000 Ordinary Shares and the issue of 27,250,000 A Warrants;
17 July 2020	4,750,000 Ordinary Shares are allotted and issued to POW following conversion of the Zero Coupon Convertible Loan Notes in their entirety, and 4,750,000 issued warrants exercisable at 1p to POW.

2.2.7 All the issued Ordinary Shares are in registered form, and capable of being held in certificated or uncertificated form. The Registrar is responsible for maintaining the share register.

2.2.8 The ISIN of the Ordinary Shares is GB00BF0VMV24. The SEDOL number of the Ordinary Shares is BF0VMV2.

2.2.9 The rights attaching to the issued Ordinary Shares are uniform in all respects and all of the Ordinary Shares form a single class for all purposes. All the issued Ordinary Shares will rank in full for all dividends or other distributions hereafter declared, made or paid on the ordinary share capital of the Company and will rank pari passu in all other respects with other Ordinary Shares in issue on Admission.

2.2.10 The Company has disapplied the statutory pre-emption provisions on the issue of equity securities for cash by resolutions passed at its Annual General Meeting held on 23 July 2020.

2.2.11 There are no restrictions on transfer of the Ordinary Shares.

2.2.12 Except as stated in paragraphs 4, 5, 21.17 and this Part XI:

- (a) the Company does not have in issue any securities not representing share capital;
- (b) there are no outstanding convertible securities issued by the Company;
- (c) no person has any preferential subscription rights for any share capital of the Company; and
- (d) no share or loan capital of the Company is currently under option, or agreed conditionally to be put under option, other than as described in paragraphs 4, 5, 21.17 and this Part XI .

2.2.13 The Ordinary Shares conform with the laws of England and Wales and are duly authorised in accordance with the requirements of the Articles and the resolutions referred to at 2.2.10 above.

3. Substantial shareholders

Save for the interests of the Directors and the Senior Managers, which are set out in this Part XI below, the Directors are aware of the following holdings of Ordinary Shares which will, as at the date of this Document or immediately following Admission will represent more than three per cent. of the nominal value of the Company's share capital:

Shareholder	At the date of this Document		Immediately following the Placing, the Subscription and Admission	
	Number of Ordinary Shares	Percentage of issued share capital	Number of Ordinary Shares	Percentage of Enlarged Share Capital following Admission
JIM Nominees Limited	30,207,155	15.67%	101,443,519	38.18%
Share Nominees Limited	20,477,139	10.62%	20,477,139	7.71%
Hargreaves Lansdown	14,745,007	7.64%	14,745,007	5.55%
Peter O Anderton	14,486,796	7.51%	14,486,796	5.45%
Jose Medeiros	13,492,500	6.99%	13,492,500	5.08%

Interactive Services Limited	Investor Nominees	11,541,432	5.98%	11,541,432	4.34%
HSDL Limited	Nominees	6,910,299	3.58%	6,910,299	2.60%
Adrian Crucifix		5,870,715	3.04%	5,870,715	2.21%

Any person who is directly or indirectly interested in three per cent. or more of the Company's issued share capital, will be required to notify such interests, and any increases of multiples of one per cent to the Company in accordance with the provisions of Chapter 5 of the Disclosure and Transparency Rules, and such interests will be notified by the Company to the public. Those interested, directly or indirectly, in three per cent. or more of the issued share capital of the Company do not now, and, following the Admission, will not, have different voting rights from other holders of Ordinary Shares.

4. Warrants

4.1 892,857 SI Capital 2019 Broker Warrants have been issued to SI Capital in connection with the February 2019 Placing on the basis of one SI Capital 2019 Broker Warrant for each Ordinary Share subscribed for.

4.2 535,714 Turner Pope 2019 Broker Warrants have been issued Turner Pope in connection with the March 2019 Placing on the basis of one Turner Pope 2019 Broker Warrant for each Ordinary Share subscribed for.

4.3 32,000,000 A Warrants have been issued to the April 2020 Placees and holders of the Zero Coupon Convertible Loan Notes, and up to a further 29,211,750 A Warrants (depending upon the amount of accrued interest) are reserved for issue on conversion of convertible loan notes with a principal value of £212,487. The A Warrants can be exercised on or before 28 April 2023 at an exercise price of 1p. If exercised on or before 28 April 2021, the warrantholder will receive a second warrant which will have an exercise period that expires 28 April 2023 and an exercise price of 2.5p (a 'B Warrant').

4.4 72,727,273 Placing Warrants will be issued on Admission to the Placees and the Subscribers, and 6,706,364 2020 Broker Warrants will be issued on Admission to the Joint Brokers (6,140,000 to First Equity and 566,364 to SI Capital), in conjunction with the Placing, the Subscription and Admission. The Placing Warrants and the 2020 Broker Warrants will be exercisable within 30 months from the date of issue at an exercise price of 4.25p. If at any time during the exercise period the 10-day volume-weighted average price of the Ordinary Shares exceeds 15.00p, the Company may give warrantholders notice (the "Accelerator Notice") to exercise their warrants by:

(a) giving notice to the Company in the prescribed form on later than 14 days following the date of the Accelerator Notice; and

(b) paying the exercise price for the warrants such that the Company receives payment in full in cleared funds into the Company's designated bank account no later than 28 days following the date of the Accelerator Notice.

4.5 Further details of the Warrants are set out at paragraph 2.2.4 of this Part XI.

5. Management Options

5.1 There is no formal management share option scheme. Options for up to 10% of the share capital at any time can be issued at an exercise price equal to the price at which the Ordinary Shares were last issued before the grant of the option. Allocation of the options will be at the discretion of the Directors. Options will be exercisable for ten years and be subject to the option holder being an officer or senior manager of the Company at the time of exercise.

5.2 On 6 November 2018, the Company granted options over an aggregate 12,000,000 Ordinary Shares to the Directors and Senior Managers and approved unallocated options over 1,400,000 Ordinary Shares (the "November 2018 Options"). 2,400,000 November 2018 Options were granted to each of Douglas Wright, Michael Foster, Charles Michael Moles, Hillary Gumbo and John Forrest. 1,400,000 November 2018 Options remained unallocated. The November 2018 Options were fully vested on the date of granting. The exercise price of each November 2018 Option is 2.5p. The option holders can exercise their respective November 2018 Options at any time prior to 5 November 2028.

5.3 On 1 May 2019, the Company reallocated the distribution of the November 2018 Options amongst the Directors and Senior Managers following the February 2019 Placing and March 2019 Placing which increased the issued share capital of the Company (the "Reallocated November 2018 Options"). 2,680,000 Reallocated November 2018 Options were granted to each of Douglas Wright, Michael Foster, Charles Michael Moles, Hillary

Gumbo and John Forrest. The terms and conditions of the Reallocated November 2018 Options remained the same as the November 2018 Options.

5.4 On 1 May 2019, the Company also granted options over an aggregate 2,500,000 Ordinary Shares to the Directors and Senior Managers and approved unallocated options over 100,000 Ordinary Shares (the “May 2019 Options”). 500,000 May 2019 Options were granted to each of Douglas Wright, Michael Foster, Charles Michael Moles, Hillary Gumbo and John Forrest. 100,000 May 2019 Options remain unallocated as at the date of this Document. The May 2019 Options were fully vested on the date of granting. The exercise price of each May 2019 Option is 2.8p. The option holders can exercise their respective May 2019 Options at any time prior to 1 May 2029.

5.5 On 5 May 2020, the Company granted options over an aggregate 2,725,000 Ordinary Shares to the Directors and Senior Managers (the “May 2020 Options”). 500,000 May 2020 Options were granted to each of Douglas Wright, Michael Foster, Charles Michael Moles, Hillary Gumbo and John Forrest. 225,000 May 2020 Options were granted to Edgar Chiteka. The May 2020 Options were fully vested on the date of granting. The exercise price of each May 2020 Option is 0.8p. The option holders can exercise their respective May 2020 Options at any time prior to 5 May 2030.

5.6 The number of options in issue at Admission will be as follows:

Optionholder Name	Number of options	Percentage of Enlarged Share Capital	Exercise Price	Vesting Conditions
Douglas Wright	2,680,000	1.0087%	2.5p	N/A
Douglas Wright	500,000	0.1882%	2.8p	N/A
Douglas Wright	500,000	0.1882%	0.8p	N/A
Michael Foster	2,680,000	1.0087%	2.5p	N/A
Michael Foster	500,000	0.1882%	2.8p	N/A
Michael Foster	500,000	0.1882%	0.8p	N/A
Charles Michael Moles	2,680,000	1.0087%	2.5p	N/A
Charles Michael Moles	500,000	0.1882%	2.8p	N/A
Charles Michael Moles	500,000	0.1882%	0.8p	N/A
Hillary Gumbo	2,680,000	1.0087%	2.5p	N/A
Hillary Gumbo	500,000	0.1882%	2.8p	N/A
Hillary Gumbo	500,000	0.1882%	0.8p	N/A
John Forrest	2,680,000	1.0087%	2.5p	N/A
John Forrest	500,000	0.1882%	2.8p	N/A
John Forrest	500,000	0.1882%	0.8p	N/A

6. Directors' and Senior Managers' Interests

The interests of the Directors and the Senior Managers and their connected persons in the share capital of the Company, as of the date of this Document and immediately following Admission, all of which are beneficial, are as follows:

Shareholder	At the date of this Document		Immediately following the Placing, the Subscription and Admission	
	Number of Ordinary Shares	Percentage of issued share capital	Number of Ordinary Shares	Percentage of Enlarged Share Capital following Admission
Charles Michael Moles	11,092,500	5.75%	11,092,500	4.18%
Hillary Gumbo	11,092,500	5.75%	11,092,500	4.18%
Douglas Wright	9,400,001	4.87%	9,400,001	3.54%
John Forrest	7,664,998	3.96%	7,664,998	2.89%
Michael Foster	6,365,000	3.30%	6,365,000	2.40%

- Teresa Giovetty-Foster, Michael Foster's wife, holds 1,000,000 Ordinary Shares equating to approximately 0.52% as at the date of this Document and approximately 0.38% immediately prior to Admission

Except for the holdings of the Directors and the holdings stated above, the Directors are not aware of any persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company.

7. Working capital

The Company is of the opinion that, taking into account the Net Proceeds, the working capital available to the Group is sufficient for its present requirements, that is for at least the next twelve months from the date of this Document.

8. Sources of cash, Liquidity and Capital Resources

The Group's ability to finance its strategy in the 18 months following Admission and to meet the Group's obligations as they become due will be fulfilled by cash currently held by the Company and the Net Proceeds. It will use such cash primarily to provide working capital to the Group to complete its intended exploration activities. As at the date of this Document, the Group had cash resources of £75,000.

9. Capitalisation and Indebtedness

The following table shows the Company's capitalisation and indebtedness as at 30 June 2020.

	30 June 2020 \$'000
Total Current Debt	
Guaranteed	-
Secured	-
Unguaranteed/Unsecured	308
Total Non-Current Debt	
Guaranteed	-
Secured	-
Unguaranteed/Unsecured	-
Shareholder Equity	<i>30 June 2020</i>
Share Capital	240
Legal reserve	-

Other reserves	2,161
Total	2,401

As at the date of this Document, there has been no material change in the capitalisation of the Company since 30 June 2020 except that \$47,000 of convertible loan notes were converted to equity.

The following table shows the Company's net indebtedness as at 30 June 2020:-

	<i>30 June 2020</i> \$'000
A. Cash	267
B. Cash equivalent	-
C. Trading securities (1)	-
D. Liquidity (A) + (B) + (C)	267
 E. Current financial receivable	 -
F. Current bank debt	-
G. Current portion of non current debt	-
H. Other current financial debt (2)	308
I. Current Financial Debt (F) + (G) + (H)	308
J. Net Current Financial Indebtedness (I) - (E) - (D)	41
K. Non current Bank loans	-
L. Bonds Issued	-
M. Other non current loans	-
N. Non current Financial Indebtedness (K) + (L) + (M)	41
 O. Net Financial Indebtedness (J) + (N)	 41

Notes

(1) Subsequent to 30 June 2020 the Company has received approximately \$97,000 in cash and \$156,000 in trading securities from Power Metal Resources plc in connection with the strategic joint venture entered into between the parties.

(2) Subsequent to 30 June 2020, Power Metal Resources plc converted approximately \$47,000 of convertible loan notes issued in April 2020.

(3) There is no contingent or indirect indebtedness as of the date of this Document.

10. Further Disclosures on Directors and Senior Managers

10.1 The Directors and Senior Managers currently are, and have during the five years preceding the date of this Document been, members of the administrative, management or supervisory bodies (apart from their directorship or position in the Company) or partners of the following companies or partnerships:

<i>Name of Director/Senior Manager</i>	<i>Current Directorships/Partnerships</i>	<i>Past Directorships/Partnerships</i>
Michael Foster	Kavango Minerals (Pty) Limited	Solantera Resources Ltd Casa Mining Ltd Casa Resources Ltd Leda Mining Congo SA Premier African Minerals Limited Arc Minerals Ltd
Michael ("Mike") Moles	JN Moles Trustees Limited Navassa Resources Ltd Kavango Minerals (Pty) Limited	Rio Mazowe Ltd Zamat Investments Ltd Sailbird Holdings Ltd

	Krumlin Mining Ltd	Sailbird Trustees Limited
Douglas Wright	None	City & Westminster Corporate Finance LLP Friction Free Feedback Limited
Hillary Gumbo	3D Earth Explorations (Pty) Limited Kavango Minerals (Pty) Limited Navassa Resources Ltd H.N.Gumbo & Associates (Pvt) Ltd Warthog Mining (Pvt) Ltd Midau Mining (Pvt) Ltd Star Lux Investments (Pvt) Ltd Crowflight Mining (Pvt) Ltd	None
John ("Chuck") Forrest	Logwood Financial Services Limited Red Sea Energy Limited	Kavango Resources plc Solantera Resources Limited Casa Mining Limited Kaminex Limited Environminerals East Africa Limited DMP Drilling Limited Kundelungu Mining & Exploration Limited

10.2 Potential conflicts of interest

The Company is not currently aware of any potential conflicts of interest between any duties carried out on its behalf by any of the persons referred to in the preceding paragraph, and their respective private interests. However the Company cannot provide any assurance that none of the Directors will become involved in one or more other business opportunities that would also present conflicts of interest in the time they allocate to the Company.

Save as disclosed above, there are no potential conflicts of interests between the duties of each Director and each Senior Manager to the Company and his private interests or other duties.

10.3 As at the date of this Document, none of the Directors and Senior Managers for at least the previous five years has:

- (a) had any convictions in relation to fraudulent offences; or
- (b) been bankrupt; or
- (c) been a director of any company which, at that time or within 12 months after his ceasing to be a director, became bankrupt, had a receiver appointed or was liquidated (other than solvent liquidations); or
- (d) been a partner of any partnership which, at that time or within 12 months after his ceasing to be a partner, became bankrupt, had a receiver appointed or was liquidated (other than solvent liquidations);
- (e) been subject to any public criticism by statutory or regulatory authority (including recognised professional bodies); or
- (f) been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of a company.

11. Regulatory Disclosures

The Company has disclosed the following information under MAR over the last 12 months:

- (a) On 17 February 2020, the Company announced that following signing of a memorandum of understanding on 2 September 2019 between Kavango Minerals and LVR, the Company had signed a joint venture agreement in respect to two prospecting licences situated in the Botswana section of the Kalahari Copper Belt. The joint venture agreement provided for a stated earn-in, which gave the Company the right to earn up to a 90%

interest in both or either of the PLs. In the first 12 months following signing the joint venture agreement, the Company is obliged to spend BWP1.25m (circa £92,000) on each of the licences to acquire a 25% interest. The Company will be the managers of the exploration and development but will have the option to withdraw at any time following a two month notice period.

- (b) On 15 April 2020, the Company announced that it had raised gross proceeds of £358,500 in a placing and subscription. The £358,500 gross funds raised consisted of a £218,000 placing at 0.8p per share, a £38,000 subscription by Power Metals for a first loan note, and £102,500 for a second loan note. In addition, the Company announced the conditional sale of a 51% interest in the Ditau Project to Power Metals for £150,000, subject to contract and a due diligence process. The terms of the sale of the 51% interest included, *inter alia*, a £150,000 payment to the Company to be paid through the issue of 35,714,286 new ordinary shares in Power Metals and Power Metals would become the operator of Ditau.
- (c) On 21 September 2020, the Company announced the formation of a strategic joint venture with Power Metals. It was announced that a new Botswana focused exploration company would be formed and jointly owned by the Company and Power Metals, privately held initially with prospecting licenses covering 2,680km² of highly prospective land. The Company was to transfer to the strategic joint venture its two rare earths & copper prospecting licences that cover the Ditau Project, and two wholly owned copper prospecting licences on the KCB. It was announced that Power Metals was to pay £75,000 to the Company, the first \$75,000 of exploration expenditure over two consecutive years, up to £10,000 to cover incorporation costs, and issue 6,000,000 shares to the Company at 1.25p per share and 5,000,000 warrants in Power Metals to the Company exercisable at 2p per share with a two year life and 1 for 1 replacement warrants, exercisable at 5p per share over two years.

12. Transferability

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

13. Pension arrangements and bonus plan

Pension arrangements

There are no pension arrangements.

Bonus plan

There is no bonus plan.

14. Dilution of Ordinary Share Capital

The Placing, the Subscription and Admission will result in 265,682,982 Ordinary Shares being in issue. The existing shareholders of the Company will be diluted by 37.69 per cent of the Ordinary Shares in issue immediately following Admission. The Placing, the Subscription and Admission and issue of the 244,950,808 Additional Shares to be issued on full exercise of the Warrants, the 10% Convertible Loan Notes (including interest element) and the Options, will result in the existing shareholders being diluted from owning 100 per cent. of the Existing Ordinary Share capital as at the date of this Document so as to constitute 37.78 per cent. of the Fully Diluted Share Capital.

15. Related Party Transactions

On 27 April 2013, Kavango Minerals entered into an agreement with 3D Earth Exploration (Pty) Ltd (a company owned by Hillary Gumbo), pursuant to which 3D has agreed to supply Kavango Minerals with certain services (including, without limit, geophysical surveying and office accommodation). 3D will supply these services on “normal rates” and invoices must be paid within 30 days of the presentation thereof.

In the ordinary course of its business the Group may engage in transactions with other related parties. Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence over the other party in making financial or operational decisions or if such parties are under common control.

The Group seeks to conduct all transactions with entities under common control or otherwise related to it on market terms and in accordance with relevant legislation. The terms and conditions of sales to related parties are determined based on arrangements specific to each contract or transaction. However, there can be no assurance that any or all of these transactions have been or will be conducted on market terms.

Save for the related party transactions referred to above or set out in the audited consolidated financial statements of the Group, there are no related party transactions that were entered into by the Group up to and including the date of this Document.

16. Statutory auditor

The auditors of the Company is PKF Littlejohn LLP (“PKF”), whose registered address is at 15 Westferry Circus, Canary Wharf, London E14 4HD. PKF were the auditors of the Group for the whole period covered by the financial information set out in, or incorporated by reference into, Part IX (“Historical Financial Information on the Company”).

PKF is registered to carry out audit work by the Institute of Chartered Accountants in England and Wales.

17. Accounts and annual general meetings

The accounting reference date of the Company is 31 December and its most recent accounting period ended on 31 December 2019. The Company intends to make public its annual financial report within four months of each financial year end (or earlier if possible).

The Company has published its most recent unaudited half-yearly financial report in respect of the six month period ending on 30 June 2020. The Company intends to make public its unaudited half-yearly financial reports within two months of the end of each interim period.

18. Significant Change

Since 30 June 2020, there has been no significant change in the financial performance of the Group.

Since 30 June 2020, there has been no significant change in the financial position of the Group.

19. CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. The Articles permit the holding of Ordinary Shares under the CREST system. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within CREST if any Shareholder so wishes. However, CREST is a voluntary system and Shareholders who wish to receive and retain share certificates are able to do so.

20. City Code

This section has been incorporated by reference as detailed in the section of this Document entitled ‘*Relevant Documentation and Incorporation by Reference*’, which can be found on page 75 of this Document.

21. Material contracts

The following contracts which: (i) other than contracts entered into in the ordinary course of business are or may be material and have been entered into by a member of the Group within the two years immediately preceding the date of this Document or (ii) not being a contract entered into the ordinary course of business have been entered into at any time before the date of this Document by any member of the Group where those contracts contain provisions under which any member of the Group has an obligation or entitlement which is, or may be, material to the Group as at the date of this Document.

21.1 Amendment Letter to the JV Earn In Agreement & Deed of Assignment

Pursuant to an Amendment Letter to the JV Earn In Agreement entered into on 6 March 2017, the parties agreed to reduce the scope of the project to just one PL253/2012 and the definition of the Stage 2 Earn In was extended from “31 December 2017” to “31 December 2018”. Also, the option fees were redefined as follows: “*The option fee on the first and second anniversary of the Effective Date shall be \$75,000 per annum, the option fee on the third anniversary of the Effective Date shall be \$50,000 and for each subsequent anniversary shall be \$100,000*”.

PLs 078/2016, 079/2016, 080/2016, 018/2016 and 512/2014 were agreed to be relinquished to the Ministry of Minerals Energy and Water Resources of the Republic of Botswana and Kavango Minerals was assigned RMTE’s beneficial interest (equating to 15%) in PLs 248/2014, 252/2012 and 302/2012 pursuant to a Deed of Assignment entered into also on 6 March 2017.

21.2 Promissory Note dated 27 October 2017

Pursuant to the terms of the Promissory Note dated 27 October 2017, Lesley Wright provided the Company with an interest free, unsecured loan of \$100,000 in consideration for an arrangement fee of £1,000. She requested this fee be paid by means of the allotment of 1,000,000 Ordinary Shares.

The loan was repaid in full on 6 February 2018, following completion of the Pre-Financing Placing.

Acquisition Related Documents

21.3 Acquisition Agreement

Pursuant to the Acquisition Agreement dated 7 December 2017, the Company agreed to acquire the entire issued share capital of Navassa Resources Ltd in consideration, equating to \$3,500,000, for the issue and allotment of 44,370,000 Ordinary Shares (the “Consideration Shares”). The Consideration Shares were issued and allotted to the Navassa Shareholders on a pro rata basis.

The Navassa Shareholders provided usual warranties in respect of Navassa and Kavango Minerals as at the date of the Acquisition Agreement.

21.4 Option Agreements & Supplemental Agreements

In addition to the Acquisition, on the same date (7 December 2017 and as subsequently amended), the Company and the Navassa Shareholders each entered into an Option Agreement pursuant to which the Navassa Shareholders were permitted to repurchase their Navassa Shares for \$4 in aggregate should the Admission not have been completed by 31 March 2018. The final date for the exercise of the options under the Option Agreements was extended to 31 July 2018.

21.5 Loan Agreement to advance sums to Kavango Minerals and Navassa

There were no formal agreements in place, however, Michael Moles and Hillary Gumbo loaned Kavango Minerals and Navassa sums totalling Botswana Pula 7,847,383 and USD\$26,130. These are classified as “*Short term advances by Directors*”. Each of these amounts have been capitalised except for \$26,130 which was repaid to Michael Moles in February 2018. There is disclosure in the Related Party Notes in the Accounts set out in Part IX.

Agreements Relating to the 2018 Placing

21.6 Letter of Engagement with SI Capital

On 12 October 2017, the Company entered into an engagement letter agreement with SI Capital pursuant to which SI Capital agreed to act as the Company’s broker. The Company agreed to pay SI Capital £15,000 per annum plus VAT payable quarterly in advance commencing on the date of the IPO Admission. A success fee of £10,000 was also paid upon and subject to, the IPO Admission. Commission was paid on funds raised.

The Company also agreed to issue to SI Capital warrants in respect of 2,600,000 Ordinary Shares exercisable for a two year period at the 2018 Placing Price. Such warrants have lapsed with none exercised.

21.7 2018 Placing Agreement

On 11 July 2018, the Company and the Directors entered into a Placing Agreement with SI Capital on the terms upon which SI Capital agreed to act as broker for the Company, and pursuant to which SI Capital agreed to act as agent for the Company in relation to the 2018 Placing and to use its reasonable endeavours to procure persons to subscribe for Ordinary Shares.

The 2018 Placing Agreement contains warranties and indemnities given by the Company and the Directors to the Broker as to the accuracy of the information contained in this Document and other matters relating to the Company and its business, including without limitation warranties in relation to information supplied to the Broker, the suitability of the Company for Admission, working capital and financing, capacity, licences and contracts.”

Agreements relating to the February 2019 Placing

21.8 February 2019 Placing Letter

On 22 February 2019, the Company engaged SI Capital to act in connection with a conditional placing and subscription of up to 19,642,857 ordinary shares at 2.8p per new ordinary share (“February 2019 Placing Share”), by way of a placing letter constituting a formal offer for 8,421,430 February 2019 Placing Shares. Pursuant to this placing letter, warrants were also granted. Please paragraphs 2.2.4 and 4 of this Part XI in respect of the warrants.

The placing letter contained customary warranties and undertakings for a document of this type.

Agreements relating to the March 2019 Placing

21.9 Turner Pope Engagement Letter February 2019

On 13 February 2019, the Company engaged Turner Pope to act in connection with a proposed placing for cash of new shares in the Company with gross proceeds of up to £670,000 (or such other greater or lesser amount as the Company and Turner Pope may agree).

Turner Pope was entitled to receive a 6 per cent. placing commission fee for the funds introduced or raised by Turner Pope in regard to the March 2019 Placing, and a 1 per cent. handling fee for funds not introduced or raised by Turner Pope, where Turner Pope was requested to handle the settlement of the March 2019 Placing participation. A corporate finance fee of £10,000 plus VAT was payable to Turner Pope pursuant to this letter of engagement. Turner Pope were also issued warrants in the Company.

In addition, Turner Pope were appointed as joint broker to the Company. In consideration for Turner Pope providing broking services to the Company, the Company agreed to pay Turner Pope an annual retainer of £30,000 plus VAT. The retainer in respect of the first year was payable in advance in cash and deducted from the proceeds of the March 2019 Placing.

21.10 Turner Pope March 2019 Placing Agreement

On 11 March 2019, Turner Pope and the Company entered into a placing agreement (the “Turner Pope March 2019 Placing Agreement”).

The Turner Pope March 2019 Placing Agreement was conditional upon admission taking place on or before 8.00 a.m. on 12 March 2019 or such later date as the Company and Turner Pope may agree, but in any event not later than 9 April 2019.

Under the Turner Pope March 2019 Placing Agreement, Turner Pope agreed to act as agents to the Company for the placing, and to use its reasonable endeavours (as agents of the Company) to procure placees for the new ordinary shares at the placing price. In consideration for the services provided by Turner Pope, the Company agreed upon admission to:

- (a) pay Turner Pope a commission equal to six per cent. of the gross proceeds of the placing;
- (b) pay Turner Pope a corporate finance fee of £5,000 (together with VAT if applicable); and
- (c) issue to JIM Nominees Limited (as nominee for Turner Pope) such number of warrants equivalent to six per cent. of the gross proceeds of the placing exercisable at the placing price from the earlier of the date falling one year after the date of admission or the date of publication of a prospectus until 12 March 2021.

The Company gave certain customary warranties for an agreement of this type. The Company also gave certain customary indemnities to Turner Pope. Beaumont, Turner Pope could terminate the Turner Pope March 2019 Placing Agreement in certain specified circumstances prior to admission, principally in the event of a material breach of the Turner Pope March 2019 Placing Agreement or any of the warranties contained in it, or any failure by the Company to comply with its obligations.

Agreements relating to the February 2019 Placing and the March 2019 Placing

21.11 SI Capital and Turner Pope 2019 Broker Warrant Instrument

The Company executed a warrant instrument on 11 March 2019, whereby the Company agreed to grant (i) SI Capital warrants to subscribe for 892,857 new Ordinary Shares; and (ii) Turner Pope warrants to subscribe for 535,714 new Ordinary Shares, each exercisable at 2.8p per Ordinary Share with an exercise period commencing on the earlier of 12 March 2020 or the date of publication of a prospectus and ending on 12 March 2021. Please see paragraphs 2.2.4 and 4 of this Part XI for further information regarding the SI Capital 2019 Broker Warrants and Turner Pope 2019 Broker Warrants, constituted from this warrant instrument.

The SI Capital 2019 Broker Warrants and Turner Pope 2019 Broker Warrants are not tradeable.

Agreements relating to the LVR MoU

21.12 LVR MoU

On 3 July 2019, Kavango Minerals and LVR entered into a memorandum of understanding, which sets out the basis on which a formal farm-in agreement will be negotiated. The farm-in agreement will set out the basis on which Kavango Minerals can earn an interest in prospecting licences PL083/2018 and PL082/2018 (the “LVR Licences”) by undertaking certain work and spending certain sums of money on the mineral exploration of the licences.

The farm-in agreement would only come in to force once:

- Kavango Minerals have completed due diligence on LVR and the LVR Licences. The LVR Licences must reflect the revised exploration commitments sent to Kavango Minerals; and
- Kavango Minerals must have paid to LVR the cash sum of USD 10,000 for each of the two LVR Licences as introductory fee.

Kavango Minerals will have the right to farm-in to each of the LVR Licences (individually) in a number of stages. On each of the LVR Licences:

Stage 1	Kavango Minerals will commit to spend BWP 1,250,000 on exploration within the first 12 months from the signing of the farm-in agreement to earn a 25% interest in the licence.
Stage 2	Kavango Minerals can take its interest in each (or either) of the LVR Licences to 50% by taking the total project expenditure to BWP 3.5 million within 24 months from the date that Kavango Minerals is deemed to have completed the Stage 1 farm-in.
Stage 3	If Kavango Minerals incurs total project expenditure of BWP 9.0 million (on each or either LVR Licence) within a period of 24 months from the date Kavango Minerals is deemed to have completed the Stage 2 interest, Kavango Minerals will have the right, to acquire an additional 25% interest in the licence.
Stage 4	With respect to each or either of the LVR Licences, Kavango Minerals' interest will rise to 90% on: <ul style="list-style-type: none"> the completion of a bankable feasibility study ("BFS"); or incurring total project expenditure of BWP 15 million; or paying to LVR in cash the difference between the total project expenditure incurred and the BWP 25 million.
Residual Interest	After Stage 4 is completed LVR will be able to hold to their 10% residual interest free carried until a BFS is completed. Thereafter, LVR may remain at 10% by paying their share of further project costs or face dilution. Alternatively, LVR may elect to convert their 10% residual interest to a 1.5% net profits royalty capped at USD 30 million or a cash settlement (to be negotiated with the majority shareholder).

At any time after the stage 1 farm-in has been completed Kavango Minerals may notify LVR that it wishes to form an incorporated joint venture company for the purpose of holding the LVR Licence (or LVR Licences). Upon such notice, LVR has to assist with the transfer of the LVR Licence (or LVR Licences) to the JV company.

If Kavango Minerals incurs expenditure during any farm-in stage which is in excess of the relevant expenditure commitment required for that farm-in stage, the amount of any such excess shall be carried forward and counted towards meeting the next farm-in stage's expenditure commitment.

Kavango Minerals will be entitled to its farm-in interest on completion of the expenditure commitment for that stage, not on the time frame set for its completion.

Kavango Minerals has the right to withdraw from the farm-in agreement, or exclude one of the licences from the farm-in agreement at any time, retaining any interest it has earned in the licences, provided that:

- Kavango Minerals gives LVR 8 weeks' notice that it will do so.
- Kavango Minerals provides LVR with all the data, reports and information pertaining to the licence that it has in its possession.

If Kavango Minerals fails to earn its interest in the licences within the time frames set out in the various farm-on stages as set out above, it will have the right to pay LVR a cash sum to complete the farm-in expenditure for any stage but subject always to the management and operation obligations set out in the LVR MoU.

In consideration of the performance by Kavango Minerals of its obligations as manager under the LVR MoU, it shall be entitled to a 10% management fee. During the farm-in period, the management fee will be deemed to constitute exploration expenditure, and is not payable in cash.

21.13 LVR Farm-In Agreement

On 30 January 2020, Kavango Minerals and LVR entered into a Farm-in Agreement pursuant to which LVR conditionally agreed to sell to Kavango Minerals, and Kavango Minerals agreed to acquire from LVR, up to a 90% interest in the Licences and/or JV Licences in Botswana held by LVR.

The “Licenses” or “JV Licences” are (i) Licence number PL082/2018, granted on 1 July 2018 and expiring on 1 July 2021; (ii) Licence number PL083/2018, granted on 1 July 2018 and expiring on 1 July 2021; and (iii) any other prospecting licences which become the subject of a joint venture and any related mining licences or any renewal, extension, substitution or conversion of the same.

Certain provisions of the agreement did not become binding until (i) a due diligence report had been compiled and submitted by a legal representative of Kavango Minerals confirming the legal integrity of LVR and the rightful ownership of the JV Licences and that the information given to Kavango Minerals by LVR regarding the JV Licences was true and correct; and (ii) Kavango Minerals made the required introduction payment of US\$20,000 to LVR within ten business days of the satisfaction or waiver of the condition above (together referred to as the “Conditions”).

The first of these Conditions could only be waived by Kavango Minerals and was required to be satisfied within 60 business days after the date of the agreement, unless an extension was agreed between Kavango Minerals and LVR. If the first Condition was not satisfied in the required timeframe, then Kavango Minerals had a right to terminate the agreement. The second Condition could only be waived by LVR and if the second Condition was not satisfied within 60 business days after the date of the agreement, LVR had a right to terminate the agreement.

The farm-in procedure was agreed and is set out in stages below.

Stage 1 – If Kavango Minerals (and/or its related bodies corporate) incurs BWP 1.25 million in expenditure in relation to each or either of the JV Licence Blocks (meaning the area covered by the JV Licences from time to time) (the “Stage 1 Commitment”) within a period of 12 months from the Farm-in Start Date (meaning the date on which the Conditions are satisfied or waived) (the “Stage 1 Period”), Kavango Minerals will have the right but not the obligation for it, or its related body corporate nominee, to acquire a 25% participating interest in each or either JV Licence (the “Stage 1 Interest”) for no additional consideration.

Stage 2 – If Kavango Minerals (and/or its related bodies corporate) incurs total project expenditure in relation to each or either of the JV Licence Blocks of BWP 3.5 million (including expenditure incurred in the Stage 1 Farm-in) (the “Stage 2 Commitment”) within a period of 24 months from the date that Kavango Minerals is deemed to have completed the Stage 1 Interest, Kavango Minerals will have the right but not the obligation for it, or its related body corporate nominee, to acquire an additional 25% participating interest in each or either Licence (the “Stage 2 Interest”) for no additional consideration.

Stage 3 – If Kavango Minerals (and/or its related bodies corporate) incurs total project expenditure of BWP 9.0 million (including expenditure incurred in the Stage 1 Farm-in and the Stage 2 Farm-in) in each or either of the Licences (the “Stage 3 Commitment”) within a period of 24 months from the date that Kavango Minerals is deemed to have completed the Stage 2 Interest, Kavango Minerals will have the right but not the obligation for it, or its related body corporate nominee, to acquire an additional 25% participating interest in each or either Licence (the “Stage 3 Interest”) for no additional consideration.

Stage 4 – If Kavango Minerals (and/or its related bodies corporate) incurs no less than BWP 15 million by way of total project expenditure on either or each of the JV Licences (including expenditure incurred in the Stage 1 Farm-in, the Stage 2 Farm-in and the Stage 3 Farm-in) or completes and delivers the first bankable feasibility study (the “First BFS) for a project on either or both of the JV Licences (the “Stage 4 Commitment”) within a period of 36 months from the date that Kavango Minerals is deemed to have completed the Stage 3 Interest, Kavango Minerals will have the right but not the obligation for it, or its related body corporate nominee, to acquire a further 15% participating interest in the Licence (the “Stage 4 Interest”).

Kavango Minerals has the option to farm-in the two Licences at different rates and it is permissible that the interest acquired and held by Kavango Minerals in each Licence might be different at any one time. Kavango Minerals agreed to fund any expenditure incurred in excess of BWP 15 million prior to delivery of the First BFS on either or both of the Licences.

At any time after the Stage 1 Interest has been completed on either or both Licences, Kavango Minerals may notify LVR in writing that it wishes to form one or more incorporated joint venture companies for the purpose of holding one or more of the Licences (a “JV Company”). Upon receipt of such a notice, LVR and Kavango Minerals will establish a JV Company (or JV Companies) incorporated in the jurisdiction of Kavango Minerals’ choice taking account of LVR’s opinion on the jurisdiction and the tax consequences for both parties.

The initial shareholding in the JV Company will reflect the interests held by the parties in the JV Licence or JV Licences at the time that the JV Company is incorporated. The subsequent grant to Kavango Minerals (or its related body corporate nominee) of the Stage 2 Interest, the Stage 3 Interest and the Stage 4 Interest (where applicable) shall be affected by the transfer of the appropriate number of fully paid shares in the JV Company free from all encumbrances. Kavango Minerals and LVR agreed that a joint venture agreement (the “Joint Venture

Agreement") would be negotiated and executed within 6 months of the notice given by Kavango Minerals stating that it wished to incorporate a JV Company.

The agreement will terminate (in relation to any Licence which has been incorporated into a JV Company) on the date that Kavango Minerals and LVR execute the Joint Venture Agreement. The agreement will continue in full force, effect and validity with respect to any Licence subject to the agreement which has not yet been relinquished or incorporated into a Joint Venture Company.

As stated above, within 10 business days of satisfaction or waiver by Kavango Minerals of the first Condition, Kavango Minerals was required to pay to LVR the sum of US\$20,000 by way of introduction fees, being the sum of US\$10,000 in respect of each of the Licences.

Kavango Minerals agreed, as soon as reasonably practicable after the date on which the Conditions were satisfied or waived (the "Commencement Date"), to refund LVR the annual lease charges paid by LVR for the JV Licence Blocks upon submission of the Botswana government acknowledgement receipts.

During the term of the agreement or the term of a JV Agreement, LVR may introduce further prospecting licence opportunities in Botswana to Kavango Minerals. If Kavango Minerals elects within 20 days of being provided with detailed information regarding a further licence opportunity, the opportunity will be assigned to the joint venture and the licence (once granted) will be deemed to be a JV Licence subject to the terms of the agreement or any JV Agreement, on the same terms as the original two Licences. Within 10 business days of any such further licence being granted, Kavango Minerals (or if the JV Company has been incorporated, the JV Company) must pay an introduction fee to LVR of US\$7,000 per licence.

During the Farm-in Period (meaning the date commencing on the Farm-in Start Date and ending on the date that Kavango Minerals acquires the Stage 4 Interest, or the agreement is terminated, whichever is earlier), Kavango Minerals is to act as the manager with respect to the JV Licence Blocks. Kavango Minerals is entitled to receive a management fee in consideration for its performance of its obligation as the manager. The management fee is 10% of exploration expenditure calculated and is applied quarterly in arrears and is not payable in cash. Within 5 business days after the Commencement Date, LVR was required to execute and deliver to Kavango Minerals a duly signed power of attorney appointing Kavango Minerals to act on behalf of LVR for the purpose of carrying out the obligations of Kavango Minerals' position as manager. It was agreed that this power of attorney would be prepared by Kavango Minerals in a form registrable with the DoM (meaning the Botswana Department of Mine, the Mining Licensing Authority of Botswana or a successor body performing a similar function).

Kavango Minerals and LVR agreed to establish a management committee within 30 days of the Commencement Date comprising of one or more representatives nominated by each of Kavango Minerals and LVR.

For an agreement of this type, customary obligations were agreed to and customary warranties, undertakings and indemnities were provided by the parties.

Kavango Minerals may terminate the agreement by giving LVR at least eight weeks' written notice at any time prior to the coming into force of the JV Agreement. If Kavango Minerals terminates the agreement it will not be obliged to incur any more expenditure on the JV Licence Blocks, but it will not receive a refund of any expenditure already incurred in relation to the JV Licence Blocks. Kavango Minerals agreed to undertake rehabilitation to industry standard on the JV Licence Blocks to the extent of any land disturbance caused by Kavango Minerals after the Commencement Date in carrying out exploration. The costs of rehabilitation incurred before the bankable feasibility study must be fully covered by Kavango Minerals while the costs incurred after the bankable feasibility study will be borne by the participants proportionate to their participating interest.

Agreements relating to the Ditan acquisition and convertible loan notes

21.14 Conditional Ditan Acquisition Agreement

On 6 April 2020, Kavango and Power Metal entered into a conditional Ditan acquisition agreement in relation to the Ditan Project. The agreement set out the proposed terms relating to a proposed placing and subscription, a proposed issue of convertible loan notes, a proposed issue of a prospectus and further financings which were to be satisfied before Power Metal's proposed acquisition of a 51% interest in the Ditan Project could proceed.

Kavango agreed to place 327.25m Kavango new ordinary shares at a price of 0.8p per share, raising £218,000 before expenses (the "Placing"). It was agreed that each placing share would be accompanied by a warrant to subscribe for an additional Kavango new ordinary share at a price of 1.0p. It was also agreed that the warrants would only be exercisable upon publication of a new prospectus by Kavango providing requisite headroom and that the warrants would have a term of 3 years from the date of admission of the placing shares. Placees exercising

warrants within the first 12 months of the exercise date would receive a full replacement warrant at 2.5p with a term of 3 years from the date of admission of the placing shares.

Kavango agreed to issue a 12-month convertible loan note (the “CLN”) with a 10% coupon, convertible into Kavango new ordinary shares at a conversion price of 0.80p and one warrant to subscribe for a further Kavango new ordinary share at a price of 1.0p with a term of 3 years from the date of admission of the Placing shares. It was agreed that SI Capital would provide the broking services in respect of the CLN and would receive commission as to be agreed between Kavango and SI Capital, but said commission would not apply to any CLN participation by Power Metal or Communication Partners (instead a 1% admin commission would be chargeable by SI Capital for the management of the CLN paperwork). CLN holders converting warrants within 12 months of the prospectus date would receive one replacement warrant at 2.5p in line with the placing share terms set out above. No CLN conversion may take place until Kavango publishes a new prospectus providing sufficient headroom for conversions. The cap on the CLN is £250,000.

Power Metal agreed to subscribe for £38,000 of a dedicated additional convertible loan note (the “POW CLN”) which carries all the same terms as the CLN set out above, except that:

- Kavango will ensure that at all times it reserves 4.75m headroom enabling conversion of the POW CLN at any time (under LSE market authority, share capital authority and all other applicable rules);
- Power Metal will relinquish the right to a 10% coupon to compensate for this immediate and ongoing conversion right; and
- Kavango agreed that Power Metal may sell the CLN interest to a third party for the sole purpose of allowing the sale of the POW CLN conversion shares or the POW CLN conversion warrant shares.

Subject to satisfaction of the above terms and to due diligence, Power Metal agreed to acquire a 51% interest in the Ditaú Project held by Kavango (the “Acquisition”). In consideration for the Acquisition, Power Metal agreed to pay Kavango the sum of £150,000 to be satisfied by the issue of 35,714,286 Power Metal new ordinary shares at a price of 0.42p (circa 6% of Power Metal post acquisition).

It was agreed that the due diligence period would end 30 days after the lifting of travel restrictions in, to or from Botswana from the UK and South Africa and after the lifting of restrictions to move freely in Botswana (thus enabling site due diligence to be undertaken) or 30 days from 1 September 2020, whichever is earlier.

It was agreed that shares in Power Metal acquired by Kavango would be subject to a 6-month lock in and 6-month orderly market restriction thereafter, unless agreed otherwise by Power Metal in writing.

Power Metal would be the operator of the Ditaú Project upon completion of the Acquisition post due diligence and Kavango and Power Metal would proceed on a fund or dilute basis thereafter, utilising a baseline valuation for the Ditaú Project of £294,118. Upon completion of the Acquisition, Power Metal guaranteed that the minimum licence spend requirement would be met for at least 12 months post acquisition, whether or not Kavango contributed.

It was agreed that any new project licences within 25km of the boundaries of the Ditaú Project acquired by Kavango or its principals up to 31 March 2021 would become part of the Ditaú Project.

The agreement was subject to the approval of the Kavango Board and the Power Metal Board, UK and Botswanan regulatory approvals and the approval of Power Metal’s nominated advisor (including confirmation that the transaction contemplated by the agreement did not amount to a reverse takeover).

Kavango agreed to transfer the Ditaú Project into a new holding company if requested to do so by Power Metal, at the cost of Power Metal.

The agreement was to lapse if the terms had not been satisfied in full by 12 noon on 13 April 2020, unless an extension was agreed between Kavango and Power Metal in writing.

The parts of this agreement relating to the Acquisition, and related provisions, were replaced by entry into the Ditaú Acquisition and Strategic Joint Venture Agreement, as set out at the paragraph below.

21.15 Ditaú Acquisition and Strategic Joint Venture Agreement

On 18 September 2020, Kavango and Power Metal entered into an acquisition and strategic joint venture agreement in relation to the Ditaú Project and Kalahari Copper Belt Project. The agreement provides for Power Metal to acquire a 50% interest in the two licences comprising the Ditaú Project (PL169/2012 and PL037/2020)

and two licences in the Kalahari Copper Belt Project (PL036/2020 and PL037/2020). The consideration payable by Power Metal to Kavango for the acquisition of the interest was as follows:

- by or on 23 September 2020, payment of £75,000 in cash (the “Cash Consideration”);
- by or on 28 September 2020, the issue to Kavango of 6,000,000 Power Metal new ordinary shares of 0.1p at an issue price of 1.25p, equivalent to a value of £75,000 (the “Acquisition Shares”); and
- by or on 30 September 2020, the issue to Kavango of 5,000,000 warrants to subscribe for Power Metal new ordinary shares of 0.1p at an issue price of 2.0p with a term of two years from the date of admission of the Acquisition Shares (the “Acquisition Warrants”).

Each of the Cash Consideration, the Acquisition Shares and the Acquisition Warrants have been paid or issued to, and received by, Kavango. The Acquisition Warrants were issued to Kavango on 21 September 2020.

If the Power Metal volume weighted average share price meets or exceeds a price of 7.5p for five consecutive trading days, Kavango will have 14 calendar days to exercise the Acquisition Warrants and make payment to Power Metal or the Acquisition Warrants will be cancelled. If Kavango exercises the Acquisition Warrants within 12 months of issue, Kavango will receive replacement warrants to subscribe for Power Metal new ordinary shares of 0.1p at a price of 5.0p with a term of two years from the date of admission of the Acquisition Shares (the “Super Warrants”).

If the Power Metal volume weighted average share price meets or exceeds a price of 10.0p for five consecutive trading days, Kavango will have 14 calendar days to exercise the Super Warrants and make payment to Power Metal or the Super Warrants will be cancelled.

Power Metal agreed to pay the first US\$75,000 towards the Ditau Project and the Kalahari Copper Belt Project exploration spend within 12 months of the date of the agreement and a further US\$75,000 in the subsequent 12-month period (the “Initial Spend”). Power Metal may accelerate payment of the Initial Spend into the first 12-month period of the agreement.

Kavango and Power Metal must pay their share of any additional spend after the Initial Spend on the Ditau Project or the Kalahari Copper Belt Project licences or their respective percentage interests will be diluted in line with standard industry provisions.

Kavango and Power Metal are joint operators.

Kavango and Power Metal agreed to transfer the Ditau Project and the Kalahari Copper Belt Project into a new private Botswana company which is to be held 100% by a UK or overseas public company which will seek a listing targeted for 2021 on a Canadian or UK stock exchange. Kavango and Power Metal agreed to prepare and sign an appropriate SJV written agreement by 31 December 2020, regulating their position as holders of the new private Botswana company, or its holding company.

Kavango and Power Metal will have the right to appoint two board members to all project holding companies. Power Metal agreed to provide a fund of up to £10,000 to cover the costs of this corporate structuring which was to be undertaken in line with local regulations for the licences and the holding companies. Regulatory approval was also to be sought where relevant.

The Kavango board agreed to provide to Power Metal evidence of good standing in relation to the Ditau Camp Project and the Kalahari Copper Belt Project.

The agreement was subject to the approval of the Kavango board and the Power Metal board, UK and Botswanan regulatory approvals and the approval of Power Metal’s nominated advisor (including confirmation that the

transaction contemplated by the agreement did not amount to a reverse takeover). Only the Botswanan regulatory approval remains outstanding at the date of this document.

Should Kavango or Power Metal encounter difficulty securing in-country regulatory approval then appropriate measures are to be implemented to secure an alternative solution to closely produce the intended structure outcomes and ownership rights and percentages as outlined in the agreement.

21.16 Zero Coupon Convertible Loan Notes

On 14 April 2020, the Company executed a convertible loan note instrument, pursuant to which it created £38,000 unsecured convertible loan notes. The registered holder of the notes was Power Metal.

The aggregate principal amount of the notes was limited to £38,000. The notes were to be known as zero coupon unsecured convertible loan notes 2021 and issued by the Company in integral multiples of £1.00. The notes when issued and outstanding were to rank pari passu, equally and rateably without discrimination or preference among themselves and as unsecured obligations of the Company.

The proceeds of all subscriptions for the notes were to be used to fund the Company's working capital and capital expenditure requirements. The notes carried no interest and were not secured.

Power Metal had the right to serve a conversion notice at any time up to and including the business day last preceding the redemption date, being 31 March 2021, requiring conversion of all (but not some only) of the notes into fully paid new ordinary shares at the conversion price of 0.8 pence per ordinary share on the conversion date, being the date falling ten business days after service of a valid conversion notice. On the conversion date, the Company was to issue Power Metal with a number of A Warrants equal to the number of ordinary shares issued on conversion of the notes, exercisable in accordance with the terms and conditions of the A Warrant Instrument.

The notes were only transferable to a broker or investment bank appointed by and acting for the transferring noteholder in prepare for the exercise of those notes in full by the transferee and sale of the resulting shares to third party purchasers. No application was or could be made to any investment exchange (whether in the UK or otherwise) for permission to deal in, or for an official or other listing or quotation, of the notes.

21.17 10% Convertible Loan Notes

On 14 April 2020, the Company executed a convertible loan note instrument, pursuant to which it created £212,487 unsecured convertible loan notes issued to various noteholders.

The aggregate principal amount of the notes was limited to £212,487. The notes are known as 10% unsecured convertible loan notes 2021 and issued by the Company in integral multiples of £1.00. The notes when issued and outstanding were to rank pari passu, equally and rateably without discrimination or preference among themselves and as unsecured obligations of the Company.

The proceeds of all subscriptions for the notes are to be used to fund the Company's working capital and capital expenditure requirements. The notes carry interest at 10% per annum and are not secured.

Subject to the satisfaction of the issue by the FCA of written approval for the Company to permit up to all of the 82,338,713 ordinary shares which would be issued on full conversion of the notes and interest and full exercise of the warrants to be admitted to the Official List (the "Prospectus Condition"), on or before 28 February 2021, the Company may be written notice to all (but not some) of the noteholders, automatically convert the principal sum into fully paid ordinary shares at the conversion price of 0.8 pence per ordinary share on the conversion date, being ten business days after service of a conversion notice. Alternatively, subject to the satisfaction of the

Prospectus Condition, a noteholder may serve a conversion notice in writing to the Company. A conversion notice must be served no later than 7 March 2021.

On the conversion date, the Company is to issue each noteholder with a number of A Warrants equal to the number of ordinary shares issued on conversion of the notes (but not in respect of the interest converted), exercisable in accordance with the terms and conditions of the A Warrant Instrument

The notes are not transferable. No application has or can be made to any investment exchange (whether in the UK or otherwise) for permission to deal in, or for an official or other listing or quotation, of the notes.

21.18 A Warrant Instrument

The Company executed a warrant instrument on 28 April 2020 pursuant to which the A Warrants were created. Please see paragraphs 2.2.4 and 4 of Part XI of this Document for further information regarding the A Warrants.

Agreements relating to the Placing

21.19 First Equity Engagement Letter

On 5 November 2020, the Company entered into an engagement letter agreement with First Equity pursuant to which First Equity agreed to act as the Company's joint broker. The Company agreed to pay First Equity:

- A corporate broking fee (including research services) of £24,000 plus VAT per annum for the first year of engagement, payable quarterly in advance. Unless otherwise agreed between the Company and First Equity, this fee may increase once per calendar year at any time after the first anniversary of the date of appointment. The Company can give not less than four weeks' notice to terminate if it does not accept the increase.
- Unless stated in a separate placing agreement, a commission of 5.0 per cent. on all funds raised by First Equity in connection with a placing undertaken by the Company.
- A 1.0 per cent. arranger fee where funds have not been raised directly from First Equity's clients and contact base.
- A 2.0 per cent. management and administration fee if First Equity assist with warrants exercised by First Equity warrant holders.

The Company also agreed to issue to First Equity the 2020 Broker Warrants, further details of which are set out at paragraphs 2.2.4 and 4 of Part XI of this Document.

21.20 Placing Letters

Each Placee participating in the Placing has entered into a Placing Letter with the respective Joint Broker, each on similar terms as follows.

Pursuant to the Placing Letters, each Placee agrees as a legally binding obligation to subscribe for the number of Placing Shares set out on the relevant Placing Letter at the Placing Price. The obligations to subscribe are irrevocable and conditional only upon Admission becoming effective not later than 7 December 2020 (or such later date as agreed with the respective Joint Broker and the Company, being not later than 7 January 2021). Customary representations and warranties for a document of this type were given by each Placee. The Placing Letters are governed by English law.

21.21 Placing Warrant Instrument

The Company will execute a warrant instrument prior to Admission pursuant to which the Placing Warrants to be granted to the Placees and the Subscribers, and the 2020 Broker Warrants, were created. Please see paragraphs

2.2.4 and 4 of Part XI of this Document for further information regarding the Placing Warrants and the 2020 Broker Warrants.

21.22 Subscription Letters

Each Subscriber participating in the Subscription has entered into a Subscription Letter with the respective Joint Broker, each on similar terms as follows.

Pursuant to the Subscription Letters, each Subscriber agrees as a legally binding obligation to subscribe for the number of Subscription Shares set out on the relevant Subscription Letter at the Placing Price. The obligations to subscribe are irrevocable and conditional only upon Admission becoming effective not later than 7 December 2020 but not later than 7 January 2021. Customary representations and warranties for a document of this type were given by each Subscriber. The Subscription Letters are governed by English law.

22. Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings, which are pending or threatened, of which the Company is aware) in the twelve months prior to the date of this Document which may have, or have had in the recent past, significant effects on the Company's or the Group's financial position or profitability.

23. Other Information

(a) There are no significant investments in progress.

(b) There have been no production, sales, changes in inventory or material changes to costs for the Group since 30 June 2020 to the date of this Document.

(c) There has been no significant change in the financial performance of the Group since 30 June 2020 to the date of this Document.

(d) There are no significant trends in production, sales and inventory, costs and selling prices since the end of the last financial year to the date of this Document.

(e) The estimated costs of Admission (including fees and commissions inclusive of VAT) are £100,000 and are payable by the Company. The estimated Net Proceeds, after deducting fees and expenses in connection with Admission are approximately £1,900,000.

(f) PKF Littlejohn LLP has given and not withdrawn its consent to the inclusion in this Document of its financial information incorporated by reference in to Part IX in line with item 1.3 of Annex 1 of Commission Delegated Regulation (EU) 2019/980. In addition, PKF Littlejohn LLP has given and not withdrawn its written consent to the issue of this Document with the inclusion herein of the references to its name in the form and context in which they appear.

PKF Littlejohn LLP accepts responsibility for the financial information incorporated by reference in to Part IX of this Document. To the best of their knowledge, the information incorporated by reference in to Part IX of this Document is in accordance with the facts and the Document makes no omission likely to affect its import.

(g) 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.

(h) Where third party data has been used in this Document, the source of such information has been identified.

(i) Copies of the following documents will be available for inspection during normal business hours on any business day at the offices of Druces LLP for at least one month after the date of Admission:

a. the Document;

b. the Memorandum and Articles of the Company;

c. the audited consolidated financial statements of the Company as set out in Part IX together with the independent auditor's audit reports thereon; and

d. the letters of consent referred to above.

In addition, this Document will be published in electronic form and be available on the Company's website, www.kavangoresources.com, subject to certain access restrictions applicable to persons located or resident outside the United Kingdom.

PART XII **DEFINITIONS**

The following definitions apply throughout this Document unless the context requires otherwise:

“10% Convertible Loan Notes” means the £102,500 series of 10% unsecured convertible loan note, further details of which are set out at paragraph 21.17 of Part XI of this Document.

“12P 2019 Placing Warrants” means the 17,857,142 warrants issued to placees in the February 2019 Placing and March 2019 Placing, such warrants having lapsed with none exercised;

“2018 Placing” means the placing of 60,000,000 Ordinary Shares pursuant to the 2018 Placing Agreement;

“2018 Placing Agreement” means the agreement dated 11 July 2018 between the Company, the Directors and SI Capital short particulars of which are set in paragraph 21.7 of Part XI;

“2018 Placing Price” means 2.5p per Ordinary Share;

“2018 Placing Warrants” means the 60,000,000 warrants issued to placees in the 2018 Placing, such warrants having lapsed with none exercised;

“2020 Broker Warrants” means the 6,706,364 warrants issued to the Joint Brokers in connection with the Placing, the Subscription and Admission pursuant to the Placing Warrant Instrument;

“24P 2019 Placing Warrants” means the 8,928,571 warrants issued to placees in the February 2019 Placing and March 2019 Placing, the terms of which are summarised on page 36 of this Document;

“3D” means 3D Earth Explorations (Pty) Ltd;

“A Warrant Instrument” means the warrant instrument executed by the Company constituting the A Warrants, details of which are set out at paragraph 64 of Part XI of this Document;

“A Warrants” means the 58,560,875 warrants issued to the April 2020 Placees and holders of the Zero Coupon Convertible Loan Notes and 10% Convertible Loan Notes, details of which are set out at paragraphs 2.24 and 4.4 of Part XI of this Document;

“Acquisition” means the acquisition by the Company of Navassa, details of which are set out in Part VI of this Document;

“Additional Shares” means the 244,950,808 total aggregate Ordinary Shares to be issued upon full exercise of the Warrants, the 10% Convertible Loan Notes (including interest element) and the Options;

“Admission” means admission of the New Ordinary Shares to the standard segment of the Official List and to trading on the Main Market;

“April 2020 Placees”	means the placees who subscribed for Ordinary Shares in the April 2020 Placing;
“April 2020 Placing”	means the placing of 27,500,000 Ordinary Shares carried out on or around 15 April 2020;
“Articles”	means the articles of association of the Company in force from time to time;
“B Warrants”	means the 58,560,875 warrants to be granted exercisable at 2.5p prior to 15 April 2023 if the A Warrants are exercised prior to 15 April 2021, pursuant to the terms of the A Warrant Instrument;
“Business Day”	means a day (other than a Saturday or a Sunday) on which banks are open for business in London;
“certificated” or “in certificated form”	means in relation to a share, warrant or other security, a share, warrant or other security, title to which is recorded in the relevant register of the share, warrant or other security concerned as being held in certificated form (that is, not in CREST);
“Chairman”	means Douglas Wright, or the Chairman of the Board from time to time, as the context requires, provided that such person was independent on appointment for the purposes of the UK Corporate Governance Code;
“City Code”	means the City Code on Takeovers and Mergers;
“Companies Act”	means the Companies Act 2006 of the United Kingdom, as amended;
“Company” or “Kavango”	means Kavango Resources plc, a company incorporated in England and Wales under the Companies Act on 31 May 2017, with company number 10796849;
“CREST” or “CREST System”	means 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”	means The Uncertified Securities Regulations 2001 (SI 2001 No. 3755), as amended;
“CSAMT”	means Controlled Source Magneto Tellurics;
“Directors” or “Board” or “Board of Directors”	means the directors of the Company, whose names appear in Part IV, or the board of directors from time to time of the Company, as the context requires, and “Director” is to be construed accordingly;
“Disclosure and Transparency Rules” or “DTRs”	means the disclosure and transparency rules of the FCA made in accordance with section 73A of FSMA as amended from time to time;
“Ditau Project”	shall have the meaning set out on page 26 of this Document

“DRC”	means the Democratic Republic of Congo;
“Document”	this prospectus;
“EEA”	means the European Economic Area;
“EEA States”	means the member states of the European Union and the European Economic Area as at the date of this Document, each an “EEA State”;
“EM”	means electromagnetic;
“Enlarged Share Capital”	means the issued equity share capital of the Company following the issue of the New Ordinary Shares;
“EU”	means the Member States of the European Union as at the date of this Document;
“Euroclear”	means Euroclear UK & Ireland Limited;
“Existing Ordinary Shares”	means the Ordinary Shares in issue as at the date of this Document;
“February 2019 Placing”	means the placing of 17,857,142 Ordinary Shares with investors that completed on 25 February 2019;
“February 2019 Placing Warrant Instrument”	means the warrant instrument executed by the Company constituting the 12P 2019 Placing Warrants, details of which are set out at pages 36 and 37 of this Document;
“FCA”	means the UK Financial Conduct Authority;
“First Equity”	means First Equity Limited, joint broker to the Company, who are authorised and regulated by the FCA;
“Founders”	means Michael Foster, John Forrest and Douglas Wright;
“FSMA”	means the Financial Services and Markets Act 2000 of the UK, as amended;
“Fully Diluted Share Capital”	means the issued equity share capital of the Company following the issue of the New Ordinary Shares and the Additional Shares;
“general meeting”	means a meeting of the Shareholders of the Company or a class of Shareholders of the Company (as the context requires);
“Group”	means the Company together with its subsidiary undertakings from time to time;

“IFRS”	means International Financial Reporting Standards as adopted by the European Union;
“IPO Admission”	means the admission of the Company’s Ordinary Shares to listing on the Standard Segment of the Official List and to trading on the Main Market of the London Stock Exchange on 31 July 2018;
“IPO Prospectus”	means the prospectus published by the Company on 10 July 2018;
“Joint Brokers”	means First Equity and SI Capital;
“JORC”	means The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves;
“Kavango Minerals”	means Kavango Minerals (Pty) Ltd a company incorporated in Botswana with company number CO2011/7408;
“KCB Project”	shall have the meaning set out on page 26 of this Document;
“KSZ” or “KSZ Project”	shall have the meaning set out on page 26 of this Document;
“LEI”	means Legal Entity Identifier;
“Listing Rules”	means the listing rules made by the FCA under section 73A of FSMA as amended from time to time;
“London Stock Exchange” or “LSE”	means the London Stock Exchange plc;
“LVR”	means LVR GeoExplorers (Pty) Limited, a company incorporated in Botswana and having its registered office at P.O. Box 11022, Woodhall, Lobatse, Botswana;
“LVR Farm-In Agreement”	means the farm-in agreement between the Company and LVR dated 28 January 2020, details of which are set out at paragraph 21.13 of Part XI of this Document;
“LVR MoU”	means the memorandum of understanding entered into on 3 July 2019 between Kavango Minerals and LVR relating to the LVR PLs;
“LVR PLs”	means PLs numbers 082/2018 and 083/2018 held by LVR and which are the subject of the LVR MoU;
“Main Market”	means the regulated market of the London Stock Exchange for officially listed securities;
“March 2019 Placing”	means the placing of 8,928,571 Ordinary Shares with investors that completed on 5 March 2019;

“Market Abuse Regulation”	means the Market Abuse Regulation (EU) No. 596/2014;
“Minimum Commitment for 2021”	means the Group’s minimum expenditure commitment of £491,675 for calendar year 2021 under the licences, details of which are contained in the table in paragraph 7 of Part VI of this Document, but which may be reduced if any of the licences are relinquished or PL areas reduced;
“ML” or “Mining Licence”	means a mining licence;
“Navassa”	means Navassa Resources Ltd, a company incorporated in Mauritius with company number 103801 C2 GBL;
“Navassa Shares”	means those shares acquired by the Company pursuant to the Acquisition from each of the Navassa Shareholders;
“Navassa Shareholders”	means Michael Moles, Hillary Gumbo, Peter Anderton and Jose Medeiros;
“Net Proceeds”	means the Placing and Subscription Proceeds less any expenses paid or payable in connection with the Placing, the Subscription and Admission;
“New Ordinary Shares”	means the Ordinary Shares to be issued and allotted pursuant to the Placing and the Subscription;
“Official List”	means the official list maintained by the FCA;
“Option Agreements”	means the option agreements (as subsequently extended) entered into between the Company and each of the Navassa Shareholders pursuant to which the Navassa Shareholders are entitled to repurchase their Navassa Shares for an aggregate sum of \$4.00 should Admission not occur by 31 July 2018, further details of which are set out in Part VI of this Document;
“Options”	means the 18,625,000 management options and 100,000 unallocated May 2019 Options as at the date of this Document, details of which are set out at paragraph 5 of Part XI of this Document;
“Ordinary Shares”	means the ordinary shares of £0.001 each in the capital of the Company including, if the context requires, the New Ordinary Shares;
“PGE”	means Platinum Group Elements;
“Prospecting Licence” or “PL”	means a prospecting licence;
“Placee”	means a person who confirms his agreement to the Company to subscribe for New Ordinary Shares under the Placing;
“Placing”	means the proposed placing of the New Ordinary Shares on behalf of the Company at the Placing Price, and on the terms and subject to the conditions set out in this Document;

“Placing and Subscription Proceeds”	means £2,000,000, being the gross funds received on closing of the Placing and the Subscription;
“Placing Letters”	means the placing letters from investors dated 9 November 2020 making irrevocable conditional applications for New Ordinary Shares issued pursuant to the Placing described in paragraph 21.20 of Part XI of this Document;
“Placing Price”	means £2.75 per New Ordinary Share;
“Placing Warrant Instrument”	means the warrant instrument executed by the Company constituting the Placing Warrants;
“Placing Warrants”	means 72,727,273 warrants created pursuant to the Placing Warrant Instrument issued by the Company to subscribe for new Ordinary Shares on the terms and conditions set out in the Placing Warrant Instrument
“POW” or “Power Metal”	means Power Metal Resources plc, a company incorporated in England and Wales with company number 07800337;
“Premium Listing”	means a premium listing under Chapter 6 of the Listing Rules;
“Pre-Financing Placees”	means those persons who subscribed for Ordinary Shares under the Pre-Financing Placing;
“Pre-Financing Placing”	means the private placing which completed on 21 December 2017 pursuant to which 4,169,996 Ordinary Shares, with Pre-Financing Placing Warrants attached on a one for one basis, were issued to the Pre-Financing Placees;
“Pre-Financing Placing Warrants”	means the warrants issued allotted pursuant to the Pre-Financing Placing, such warrants having lapsed with none exercised;
“Projects”	means together the KCB Project, the KSZ Project and the Ditau Project each defined and described in Part VI of this Document;
“Prospectus Regulation”	means Regulation (EU) 2017/1129;
“Prospectus Regulation Rules”	means the prospectus regulation rules of the FCA made in accordance with section 73A of FSMA, as amended from time to time;
“Pula”	means Pula, the currency of Botswana;
“Registrar”	means Share Registrars Limited, or any other registrar appointed by the Company from time to time;
“SEC”	means the U.S. Securities and Exchange Commission;
“Securities Act”	means the U.S. Securities Act of 1933, as amended;

“Senior Managers”	means John Forrest and Hillary Gumbo;
“Shareholders”	means the holders of the Ordinary Shares and/or the New Ordinary Shares, as the context requires;
“SI Capital”	means SI Capital Limited, joint broker to the Company, who are authorised and regulated by the FCA;
“SI Capital 2018 Broker Warrants”	means warrants created pursuant to the SI Capital 2018 Broker Warrant Instrument issued by the Company to subscribe for new Ordinary Shares on the terms and conditions set out in the SI Capital 2018 Broker Warrant Instrument, such warrants having lapsed with none exercised;
“SI Capital 2018 Broker Warrant Instrument”	means the warrant instrument executed by the Company constituting the SI Capital 2018 Broker Warrants;
“SI Capital 2019 Broker Warrants”	means 892,857 warrants created pursuant to the SI Capital and Turner Pope 2019 Broker Warrant Instrument issued by the Company to subscribe for new Ordinary Shares on the terms and conditions set out in the SI Capital and Turner Pope 2019 Broker Warrant Instrument;
“SI Capital and Turner Pope 2019 Broker Warrant Instrument”	means the warrant instrument executed by the Company constituting the SI Capital 2019 Broker Warrants and Turner Pope 2019 Placing Warrants, details of which are set out at paragraphs 22.11 of Part XI of this Document;
“Standard Listing”	means a standard listing under Chapter 14 of the Listing Rules;
“Subscribers”	means the subscribers who entered into Subscription Letters for the Subscription;
“Subscription”	means the conditional subscription of 663,637 New Ordinary Shares at the Placing Price pursuant to the Subscription Letters;
“Subscription Letters”	means the subscription letters between the Company and the Subscribers as set out in paragraph 21.22 of Part XI of this Document;
“Turner Pope”	means Turner Pope Investments (TPI) Ltd, who are authorised and regulated by the FCA;
“Turner Pope 2019 Broker Placing Warrants”	means 535,714 warrants created pursuant to the SI Capital and Turner Pope 2019 Warrant Instrument, details of which are set out at paragraphs 2.2.4 and 4.2 of Part XI of this Document;
“Turner Pope March 2019 Placing Agreement”	means the conditional agreement dated 11 March 2019 between: (1) Turner Pope and (2) the Company, further details of which are set out at paragraph 21.10 of Part XI of this Document;
“UK Corporate Governance Code”	means the UK Corporate Governance Code issued by the Financial Reporting Council in the UK from time to time;

“uncertificated” or “uncertificated form”	means, in relation to a share or other security, a share or other security, title to which is recorded in the relevant register of the share or other security concerned as being held in uncertificated form (that is, in CREST) and title to which may be transferred by using CREST;
“United Kingdom” or “UK”	means the United Kingdom of Great Britain and Northern Ireland;
“United States” or “U.S.”	means the United States of America;
“VAT”	means (i) within the EU, any tax imposed by any Member State in conformity with the Directive of the Council of the European Union on the common system of value added tax (2006/112/EC), and (ii) outside the EU, any tax corresponding to, or substantially similar to, the common system of value added tax referred to in paragraph (i) of this definition;
“Warrants”	means the aggregate 199,664,933 warrants consisting of the SI Capital 2019 Broker Warrants, the Turner Pope 2019 Broker Warrants, the A Warrants, the B Warrants, the Interest Warrants, the Placing Warrants and the 2020 Broker Warrants; and
“Zero Coupon Convertible Loan Notes”	means the £38,000 zero coupon convertible loan note to POW convertible into 4,750,000 Ordinary Shares, further details of which are set out at paragraph 21.16 of Part XI of this Document.

References to a “company” in this Document shall be construed so as to include any company, corporation or other body corporate, wherever and however incorporated or established.

PART XIII
RELEVANT DOCUMENTATION AND INCORPORATION BY REFERENCE

The table below sets out the information which is incorporated by reference in this Document, to ensure Shareholders and others are aware of all information which is necessary to enable Shareholders and others to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Group and the rights attaching to the Ordinary Shares.

<i>Information incorporated by reference into this Document</i>	<i>Description of incorporation</i>	<i>Page number in this Document</i>
The Company's Interim Financial Statements for the six months ended 30 June 2020 (pages 1 to 10 (inclusive))	Pages 1 to 10 inclusive	42
The Company's Report and Financial Statements for the year ended 31 December 2019 (pages 3 to 71 (inclusive))	Pages 3 to 71 inclusive	42
IPO Prospectus (pages 263 to 264 inclusive) – Part XIV – Additional Information – paragraph 23 – City Code	Part XIV – Additional Information – City Code	54

It should be noted that, except as set out above, no other part of the Company's Interim Financial Statements for the six months ended 30 June 2020, Company's Report and Financial Statements for the year ended 31 December 2019 and the IPO Prospectus is incorporated by reference into this Document. The parts of the Company's Interim Financial Statements for the six months ended 30 June 2020, Company's Report and Financial Statements for the year ended 31 December 2019 and the IPO Prospectus that are not incorporated by reference are either not relevant for the investor (pursuant to article 28.4 of Commission Regulation (EC) No 809/2004 of 29 April 2004) or are covered in another part of this Document.