THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Document or the action you should take, you are recommended to seek your own financial advice immediately from an appropriately authorised stockbroker, bank manager, solicitor, accountant or other independent financial adviser who, if you are taking advice in the United Kingdom, is duly authorised under the Financial Services and Markets Act 2000 ("FSMA").

This Document comprises a prospectus relating to Kavango Resources plc (the "Company") prepared in accordance with the Prospectus Rules of the Financial Conduct Authority (the "FCA") made under section 73A of FSMA 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 Rules.

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) (the "Ordinary Shares") to be admitted to the Official List of the UK Listing Authority (the "Official List") (by way of a standard listing under Chapter 14 of the listing rules published by the UK Listing Authority 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 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 Ordinary Shares will commence, at 8.00 a.m. on 13 July 2018.

THE WHOLE OF THE TEXT OF 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 23 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 (who have taken all reasonable care to ensure that such is the case), the information contained in this Document is in accordance with the facts and contains no omission likely to affect its import.

KAVANGO RESOURCES plc

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

Placing of 60,000,000 New Ordinary Shares of £0.001 each at a placing price of £0.025 per New Ordinary Share,
all such New Ordinary Shares to be issued with warrants attached on a one for one basis
Admission to the Official List of 134,169,996 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

Issued Ordinary Share capital immediately following Admission at the £0.025 Placing Price

Ordinary Shares	Number	Market Capitalisation
	134,169,996	**£3,354,250**

SI Capital Limited ("SIC"), which is authorised and regulated in the UK by the FCA, is the Company's UK placing agent and is acting exclusively for the Company and no one else in connection with the Placing and will not regard any other person (whether or not a recipient of this Prospectus) as a client in relation to the Placing and will not be responsible to anyone other than the Company for providing the protections afforded to clients of SIC or for providing advice in relation to the Placing or any other matters referred to in this Prospectus.

City & Westminster Corporate Finance LLP ("CWCF") is acting exclusively for Kavango and for no-one else in connection with the Placing and Admission and will not be responsible to anyone other than Kavango for providing advice in relation to the contents of this Prospectus or any matter referred to in it. CWCF is not making any representation, express or implied, as to the contents of this Prospectus, for which Kavango and the Directors are solely responsible. Without limiting the statutory rights of any person to whom this Prospectus is issued, no liability whatsoever is accepted by CWCF for the accuracy of any information or opinions contained in this Prospectus or for any omission of information, for which Kavango and the Directors are solely responsible. The information contained in this Prospectus has been prepared solely for the purpose of the Placing 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 information contained in this Prospectus has been prepared solely for the purpose of the Placing 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 Prospectus 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 Prospectus 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 Prospectus in or into jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possessions this Prospectus 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 Prospectus. Any representation to the contrary is a criminal offence in the United States.

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

It should be noted that the UK Listing Authority 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 Prospectus is dated 10 July 2018.

CONTENTS

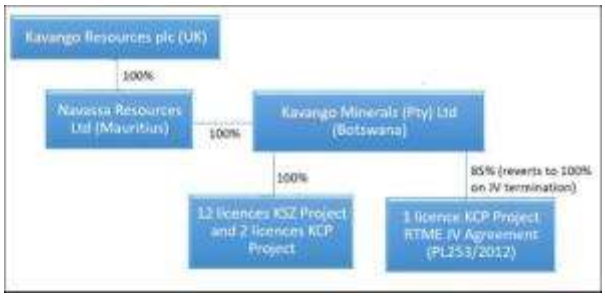
PART I
SUMMARY

Summaries are made up of disclosure requirements known as "Elements''. These elements are numbered in Sections A - E (A.1 - E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable''.

Section A- WARNING TO INVESTORS		
A.1.	**Warning to Investors**	This 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. Where a claim relating to the information contained in this document is brought before a court, the plaintiff investor might, under the national legislation of the EEA States, have to bear the costs of translating this Prospectus 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 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.
A.2	**Consent for intermediaries**	Not applicable; there will be no resale or final placement of securities by financial intermediaries.
SECTION B—ISSUER		
B.1	**Legal and commercial name**	The legal and commercial name of the issuer is Kavango Resources plc.
2	**Domicile/Legal form / Legislation / Country of incorporation**	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.

B.3	**Current operations /Principal activities and markets**	The Company has been formed to acquire natural resource assets, the first of which was the acquisition of Navassa Resources Ltd. Navassa was acquired by the Company on 7 December 2017 and is the parent company of Kavango Minerals (Pty) Ltd which has the benefit of 15 Prospecting Licenses. The consideration for the Acquisition, equating to $3,500,000, was paid by means of the allotment of 44,370,000 Ordinary Shares in the Company (prior to its conversion into a public limited company on 24 January 2018). In addition to the Acquisition, on the same date (and as amended subsequently), the Company and the Navassa Shareholders entered into Option Agreements pursuant to which the Navassa Shareholders were permitted to repurchase their Navassa Shares for an aggregate amount of $4 should Admission not be completed by 31 July 2018. These options will lapse on Admission. A corporate structure is set out below:  Kavango Minerals (the Company's ultimate subsidiary) has an interest in 15 Prospecting Licenses covering two areas in Botswana. For the purposes of this Prospectus and the CPR (seen in full at Part XI of this Prospectus) the Company's Projects have been divided into: a) the Northwestern Botswana project (referred to herein and the CPR as the "**Kavango Copper Project**" or "**KCP**"); and b) the Kalahari Suture Zone project (the "**KSZ Project** or "**KSZ**") (located in Southwestern Botswana). Kavango Minerals is the holder of all of the licences comprising the KCP, however, until termination of the JV Earn In Agreement becomes effective (see below), RTME is the operator and currently funds 100% of the expenditure on one of the PLs (253/2012) which is subject to the JV Earn In Agreement. Following termination becoming effective, Kavango Minerals will be the operator of this PL. The other two KCP PLs have been assigned out of the JV Earn In arrangement to Kavango Minerals. Kavango Minerals received notice on 28 June 2018 from RTME of its intention to terminate the JV Earn In Agreement. The notice is dated 22 June 2018. In accordance with the terms of the JV Earn In Agreement, termination becomes effective 60 days after the date of the termination notice and, within that 60-day period, RTME is contractually obliged to complete a handover of the results of all exploration work in the relevant PL area and to provide details of expenditure. The Directors will be seeking to arrange a meeting with RTME in the autumn 2018. Following receipt of this handover information, Kavango Minerals will analyse the results in order to decide its exploration strategy in relation to PL253/2012 (the PL subject to the JV Earn In Agreement). This may involve relinquishing this PL, continuing exploration, and/or identifying a new JV partner (although it is stressed that no decision can be made until such time as the results have been received and analysed).

Kavango Minerals is the holder of 12 PLs in respect of the KSZ Project.

Both Projects are regarded as *'early stage exploration projects'* and are therefore speculative in nature. However, based on current geological evidence, the Competent Person is of the opinion that the 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 either of the Projects.

Exploration Rationale

KCP

The exploration rationale in relation to the KCP is premised on the interpreted correlation between Proterozoic rocks underlying Kalahari cover in Northwest Botswana and the Katanga Sequence which hosts the Central African Copperbelt deposits in Zambia and the DRC. Northwest Botswana is considered prospective for exploration targeting of sediment-hosted copper-cobalt deposits as well as related structurally controlled secondary copper-cobalt deposits. Previous work has provided sufficient encouragement to warrant further exploration.

Work conducted by Kavango Minerals and RTME to date has been insufficient to test this rationale and additional exploration work is necessary to confirm the interpreted stratigraphic correlation and identification of appropriate targets for drill testing.

KSZ

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 airborne electromagnetic survey over the bulk 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.

Proposed Work Programmes

KCP Project

The work programme proposed by RTME for PL253/2012 was initially aimed to test targets in a defined prospective portion of the PL area. This involved drilling of targets generated by exploration work carried out by RTME in previous years. As mentioned above, RTME has served notice of its intention to terminate the JV Earn In Agreement. Accordingly, and as part of the termination handover process, it is obliged to provide Kavango Minerals with all of its results (including drilling results) after which Kavango Minerals will be able to assess whether to continue the programme commenced by RTME, whether to instigate new investigations or whether to relinquish the licence.

No significant field work is planned by the Group on the remaining two licenses in the KCP (248/2014 and 302/2012) for the time being save for a small amount of geophysical work required to maintain the PLs in good standing.

KSZ Project

Kavango Minerals has prepared a staged exploration programme and the Competent Person supports this plan to conduct an EM survey over the KSZ area. The airborne survey will be split into sectors so that the exact area covered can be discretionary, dependent on the Net Proceeds.

As results become available from the EM airborne study, it is proposed that the Group will use a second geophysical consulting company for the interpretation of the EM data and to ground-truth a broad range of identified EM anomalies (if any) by refining existing ground geophysical traverses, or establishing new grids over the respective anomalies, prior to drilling.

The Licenses

A summary of the 15 PLs held by the Group is shown below:

Summary table of Kavango Resources plc assets

Asset	License holder	Kavango's interest	Status	License expiry date	PL area	Comments
Copper Project	Kavango Minerals (Pty) Limited	100% 85%* 100 %	Exploration	PL248/2014: 31 Dec 2019* 192 km² PL253/2012: 31 Dec 2019 447 km² PL302/2012: 31 Dec 2019 230 km²		Renewal applications for a further 2 years granted on 21 Nov 2017 for the 3 PLs without a reduction in PL areas
KSZ Project	Kavango Minerals (Pty) Limited	100 %	Exploration	PL163/2012: 31 Dec 2019 497.4 km² PL164/2012: 31 Dec 2019 496.9 km² PL165/2012: 31 Dec 2019 457.0 km² PL166/2012: 31 Dec 2019 493.8 km² PL167/2012: 31 Dec 2019 432.4 km² PL168/2012: 31 Dec 2019 436.5 km² PL169/2012: 31 Dec 2019 469.2 km²		Renewal applications for a final 2 years granted on 21 Nov 2017 for the 7 PLs PL163/2012 to PL169/2012 without a further 50% reduction in PL areas
				PL509/2014: 31 Dec 2019* 413 km² PL510/2014: 31 Dec 2019* 498.6 km²		First renewal applications for a further 2 years granted on 21 November 2017 for PL509/2014 and PL510/2014 with a 50% reduction in PL areas
				PL155/2016: 31 Dec 2019** 975 km² PL156/2016: 31 Dec 2019** 977 km² PL157/2016: 31 Dec 2019** 781 km²		Renewal application due in 2019 for a two year period with a 50% reduction in PL area

Note: PLs are granted for a maximum of 7 years with two renewals of 2 years each after the initial 3 year period. A reduction of 50% of the PL surface area is expected at the start of each of the two renewal periods
** = can be renewed for a further 2 year period up to 31 December 2021*
*** = can be renewed for two further 2 year periods with a 50% reduction in surface area up to 31 December 2023*
** = upon termination of the RTME JV Agreement, Kavango's interest will revert to 100%*

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 amount of money that is 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.

All 15 PLs entitle Kavango Minerals to prospect for "*Metals*" which includes all precious metals, base metals and rare earth elements.

The table below sets out the annual expenditure requirements for each of current PLs until the end of 2019:

					Licence expenditure commitments to Government		
Licence#	Project	Date of Expiry	Can be renewed	Until date	2018 (GBP)	2019 (GBP)	Total to end 2019 (GBP)
248-2014	KCP	31-Dec-19	Yes	31-Dec-21	15,873	39,365	55,238
302-2012	KCP	31-Dec-19	Yes	31-Dec-21	15,873	0*	15,873
253-2012	KCP-RTME	31-Dec-19	No		39,683	39,683	79,365
163-2012	KSZ	31-Dec-19	No		48,016	36,905	84,921
164-2012	KSZ	31-Dec-19	No		48,016	36,905	84,921
165-2012	KSZ	31-Dec-19	No		40,079	0*	40,079
166-2012	KSZ	31-Dec-19	No		44,048	0*	44,048
167-2012	KSZ	31-Dec-19	No		44,048	36,905	80,953
168-2012	KSZ	31-Dec-19	No		40,079	0*	40,079
169-2012	KSZ	31-Dec-19	No		44,048	36,905	80,953
509-2014	KSZ	31-Dec-19	Yes	31-Dec-21	46,429	36,111	82,540
510-2014	KSZ	31-Dec-19	Yes	31-Dec-21	46,429	36,111	82,540
155/2016	KSZ	31-Dec-19	Yes	31-Dec-23	70,635	102,381	173,016
156/2016	KSZ	31-Dec-19	Yes	31-Dec-23	70,635	102,381	173,016
157/2016	KSZ	31-Dec-19	Yes	31-Dec-23	58,334	90,079	148,413
TOTAL					**672,222**	**593,731**	**1,265,954**
Less amount spent on KSZ exploration PL's 1Jan18 to 31May18					(181,000)		(181,000)
Balance of exploration expenditure commitments					**491,222**	**593,731**	**1,084,953**

Note 1: The PL expenditure commitments are in USD($) and have been converted to GBP(£) at the rate of USD1.40/1GBP.

Note 2: The annual expenditure set out above has been calculated on the basis of the agreed

		aggregate expenditure for the particular PL divided by the tenure of that PL less the amounts spent on the PL to 31 May 2018. *Note 3: PLs 302-2012, 165-2012, 166-2012 and 168-2012 are marked "0" for the year 2019 and will be relinquished at the end of 2018; and further relinquished and/or reduction of PL areas may be made once the airborne study has been completed and areas have been prioritised. An explanation as to why these 4 PLs are to be relinquished is set out below.* *Note 4: RTME has served notice of its intention to terminate the JV Earn In Agreement Agreement in respect of PL253-2012. At present, it is unknown how much money has been spent by RTME in 2018 towards this PL's licence commitment. Accordingly, the Directors have taken the view of including the full commitment.* *Note 5: Net Proceeds of £1,435,000 cover the licence expenditure commitments of £1,084,953.* The Company has, since the start of 2018 to 31 May 2018, spent £181,000 on the KSZ PLs, including geophysical work (magnetic inversion techniques). This has enabled the Directors to identify the areas which are no longer of interest (PLs 165-2012, 166-2012 and 168-2012*)* either because these PLs fall outside areas of interest or potential mineralization is too deep to extract commercially. In respect of PL 302-2012, this will be relinquished because the geophysical work has not identified any targets of interest. These four PLs will be relinquished before the end of 2018. In the event that any further PLs are relinquished or reduced prior to the end of 2019, the relevant work and expenditure commitments would reduce accordingly. The exploration expenses incurred to date in relation to the PLs related to geological surveys, sampling, staff costs and general office costs. These were incurred to ensure that the licence requirements were met and appropriate work could be performed to assess the licence areas.
B.4	**Significant Trends**	Historically, the mining industry is cyclical, with highs and lows. For example, the successful years of 2003-2010/11 were followed by five years of lower commodity prices. During the difficult years, exploration companies suffered due to lack of capital and investor appetite. Commodity prices started to pick up in 2016. For example, copper prices have increased by over 50% since the start of 2016. SP Angel Limited, a UK broker, estimates that metal exploration expenditure will increase by 20% in 2018.
B.5	**Current Group structure**	The Company, having acquired Navassa, is the parent company of the Group: **Kavango Resources plc** ▼ Navassa Resources Ltd (Mauritius) ▼ Kavango Minerals (Proprietary) Limited (Botswana)

B.6 | **Major Shareholders**

Insofar as the Directors and the Company are aware, as at 9 July 2018 (being the latest practicable date prior to publication of this Prospectus), the following Shareholders had a notifiable interest directly or indirectly in the issued shares of the Company following Admission:

Shareholder	Number of Ordinary Shares	Percentage of issued Ordinary Share capital following Admission
Charles Michael Moles (*)	12,947,492	*9.65*
Hillary Gumbo (*)	11,092,500	*8.27*
Jose Medeiros	13,492,500	*10.06*
Peter O Anderton	13,492,500	*10.06*
Douglas Wright (*)	7,515,001	*5.60*
John Forrest (*)	7,064,998	*5.27*
Michael Foster (*)	5,785,001	*4.31*

(*) Denotes a Director/Senior Manager
- Lesley Wright, Douglas Wright's wife, holds 730,000 Ordinary Shares equating to 0.98% as at the date of this document and 0.54% immediately prior to Admission
- Teresa Foster, Michael Foster's wife, holds 1,000,000 Ordinary Shares equating to 1.35% as at the date of this document and 0.75% immediately prior to Admission

Such Shareholders will not have special voting rights and the Ordinary Shares owned by each of them will 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 Prospectus or immediately following Admission, exercises, or could exercise, directly or indirectly, jointly or severally, control over the Company.

B.7 | **Selected historical key financial information**

Shareholders and prospective investors should review the following selected financial of information the Company and Navassa together with the whole of this document and should not rely on the selected financial information below. This selected financial information for both the Company and Navassa set out below has been presented in accordance with IFRS and the Company's and Navassa's accounting policies.

The Company was incorporated on 31 May 2017 and the statement of financial position was drawn up at 31 December 2017.

STATEMENT OF FINANCIAL POSITION

The audited statement of financial position of the Company as at 31 December 2017 is set out below:

	Note	As at 31-Dec 2017 US$
Assets		
Non-current assets		
Investments	10	3,510,410

Current assets		
Cash and cash equivalents		348,653
Other current assets	4	135,504
Total assets		**3,994,568**
Equity and liabilities		
Capital and reserves		
Share capital	8	100,063
Share premium		3,760,890
Accumulated deficit		-
Total equity attributable to equity holders		3,860,952
Current liabilities		
Accounts payable and accrued liabilities	5	133,615
Total liabilities		**133,615**
Total equity and liabilities		**3,994,568**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

The audited statement of comprehensive income of the Company for the period to 31 December 2017 is set out below:

	Note	Period ended 31-Dec 2017 US$
Revenue		-
Administrative expenses		-
Operating loss and loss on ordinary activities before taxation		-
Income tax expense		-
Loss after taxation		-
Loss for the period		-
Other comprehensive income		-
Total comprehensive loss attributable to owners of the parent		-
Earnings per share:		
Basic and diluted (US$)		-

CONSOLIDATED STATEMENT OF CASH FLOWS

The audited cash flow statement of the Company for the period to 31 December 2017 is set out below:

	Period ended 31-Dec 2017 US$
Cash flow from operating activities	
Loss for the period before taxation	-
Adjustments	-
Operating cash flows before movements in working capital	-

Increase in debtors	-135,504
Increase in payables	133,615
Net cash generated from operating activities	**-1,889**
Issue of Shares	350,542
Net cash inflow from financing activities	**350,542**
Net increase in cash and cash equivalents	**348,653**
Cash and cash equivalent at beginning of period	-
Cash and cash equivalent at end of period	**348,653**

In 2017, the Company purchased 100% of the equity of Navassa Resources Ltd and its subsidiary Kavango Minerals (Pty) Ltd for USD3,500,000. The purchase price was satisfied by the issuance of 44,370,000 ordinary shares of the Company with an ascribed value of GBP 2,602,000.

Other than the Acquisition of Navassa noted above, the Company has not yet commenced business and there has been no significant change in the financial condition or operating results of the Company since inception.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The audited statement of financial position of Navassa as at 31 December 2017, 2016 and 2015 is set out below:

	31-Dec 2017 US $	31-Dec 2016 US $	31-Dec 2015 US $
		Audited	
Non-current assets			
Intangible assets	2,234,016	2,005,953	1,638,222
Fixed assets	1,610	2,221	9,956
Total non-current assets	2,235,626	2,008,174	1,648,178
Current assets			
Trade and other receivables	6,751	42,711	37,076
Cash and cash equivalents	37,764	18,748	52,349
Total current assets	44,515	61,459	89,425
Total assets	**2,280,141**	**2,069,633**	**1,737,603**
Current liabilities			
Trade and other payables	12,615	6,592	4,893
Amounts due to shareholders	34,897	763,343	632,179
Total liabilities	**47,512**	**769,935**	**637,072**
Net current (liabilities)/assets	**(2,997)**	**(708,476)**	**(547,647)**
Net assets	**2,232,629**	**1,299,698**	**1,100,531**
Equity			
Called up share capital	1,909,223	1,200,000	1,000,000
Retained earnings	220,131	117,433	125,233
Retained earnings	103,275	(17,735)	(24,702)
Total equity	**2,232,629**	**1,299,698**	**1,100,531**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

The audited consolidated statement of comprehensive income of Navassa for the year 31 December 2017, 2016 and 2015 is set out below:

	31-Dec 2017 US $	31-Dec 2016 US $	31-Dec 2015 US $
		Audited	
Administrative expenses	(10,514)	(7,800)	(7,052)
Other income	50,000	-	75,000
Foreign exchange on conversion of loans	63,212	-	-
Loss before taxation	**102,698**	**(7,800)**	**67,948**
Taxation	-	-	-
Loss for the year attributable to owners of the parent	**102,698**	**(7,800)**	**67,948**
Other Comprehensive income:			
Items that may be subsequently reclassified to profit or loss			
Currency transalation difference	121,010	6,967	(14,029)
Total comprehensive income for the year attributable to owners of the parent	**223,708**	**(833)**	**53,919**

CONSOLIDATED STATEMENT OF CASH FLOWS

The audited consolidated cash flow statement of the of Navassa for the year 31 December 2017, 2016 and 2015 is set out below:

	31-Dec 2017 US $	31-Dec 2016 US $	31-Dec 2015 US $
		Audited	
Cash flows from operating activities			
Loss before taxation	102,698	(7,800)	67,948
Foreign exchange	102,398	14,596	65,410
Net cash flows used in operating activities	205,096	6,796	133,358
Decrease in trade and other receivables	35,960	(5,365)	(10,934)
Increase in trade and other payables	6,023	1,699	683
Net cash outflow from operating activities	**247,079**	**3,130**	**123,107**
Investing activities			
Purchase of intangible assets	(228,063)	(161,731)	(375,227)
Net cash used in investing activities	**(228,063)**	**(161,731)**	**(375,227)**
Financing activities			
Amounts advanced	0	(25,000)	-
Proceeds from issue of shares net of issue costs	-	150,000	150,000
Net cash generated from financing activities	**0**	**125,000**	**150,000**
Net (decrease)/increase in cash and cash equivalents	**19,016**	**(33,601)**	**(102,120)**
Cash and cash equivalents at beginning of year	19,018	52,619	154,739
Cash and cash equivalents at end of year	**38,034**	**19,018**	**52,619**

Non – cash transactions: In 2015 USD 237,091 of Director loans arose in respect of services provided in respect of work performed in relation to the

		Intangible Assets. In 2016 USD 156,163 of Director loans arose in respect of services provided in respect of work performed in relation to the Intangible Assets. There has been no significant change to Navassa Resource Ltd's financial condition and operating results during or subsequent to the period covered by the financial information.
B.8	**Selected Pro Forma Key Information**	The unaudited pro forma statement of net assets has been prepared to illustrate the impact of Placing and acquisition on the net assets of the Company. Set out below is an unaudited pro forma statement of net assets of Kavango Resources Plc ("the Company") and Navassa Resources Ltd (together "the Enlarged Group") as at 31 December 2017. The unaudited pro forma income statement of the Company for the period ending 31 December 2017 has been prepared on the basis set out in the notes below and in accordance with the requirements of item 20.2 of Annex I and items 1 to 6 of Annex II of the Prospectus Rules to illustrate the impact of the Placing as if it had taken place on 1 January 2017 and the acquisition of Navassa Resources Limited.. The unaudited pro forma statement of net assets and unaudited pro forma income statement are compiled on the basis set out in the notes below and in accordance with the Enlarged Group's accounting policies in the next financial statements. Because of the nature of the unaudited pro forma net asset statement and unaudited pro forma income statement address a hypothetical situation and does not, therefore, represent the Group's actual financial position or results. The unaudited pro forma information has been prepared in accordance with Annex II of the Prospectus Directive Regulations. No adjustments have been made to take account of trading, expenditure or other movements subsequent to 31 December 2017, being the date of the last published balance sheet of the Group. The unaudited pro forma information does not constitute financial statements within the meaning of section 434 of the Companies Act. Investors should read the whole of this Prospectus and not rely solely on the summarised financial information contained in this Part. **Unaudited pro-forma statement of net assets**

	Company net assets as at 31-Dec-17 (Note 1)	Navassa Resources Ltd net assets as at 31 December 2017 (Note 2)	Adjustment Acquisition of Navassa Resources Ltd (Note 3)	Adjustment Placing Proceeds (Note 4)	Unaudited pro-forma net assets of the Enlarged Group as at 31
Assets	**US$**			**US$**	**US$**
Non-current assets					
Intangible assets	-	2,234,016	-	-	2,234,016
Investments	3,510,410	-	(3,510,410)		-
Fixed assets	-	1,610	-		1,610
Current assets					
Cash	348,653	37,763		1,915,438	2,301,854
Receivables	135,504	6,751		-	142255
Total assets	**3,994,567**	**2,280,140**	**(3,510,410)**	**1,915,438**	**4,679,735**
Liabilities					
Current liabilities					
Trade and other payables	133,615	12,615	-	-	146,230
Amounts due to shareholders	-	34,897	-	-	34897
Total liabilities	**133,615**	**47,512**	**-**	**-**	**181,127**
Net assets	**3,860,952**	**2,232,628**	**(3,510,410)**	**1,915,438**	**4,498,608**

Notes:

1. The financial information relating to the Company has been extracted without adjustment from the historical financial information set out in Part XII of this document.

2. The financial information relating to Navassa Resources Ltd has been extracted without adjustment from the historical financial information set out in Part XII of this document.
3. The adjustment relates to the acquisition of Navassa Resources Limited which took place on 7th December 2017 and the elimination of the investment in Navassa at a Company level that would occur on consolidation. The acquisition falls outside the scope of IFRS 3 ("Business Combinations") as Kavango Resources Plc does not meet the definition of a business per IFRS at the date the acquisition occurs. From an accounting perspective, Navassa will be deemed the acquirer and as a result the consolidation journals arising on consolidation will impact reserves and are therefore not shown in the table above.
4. The US$1,915,438 adjustment represents the net proceeds of the Subscription, represented by a receipt of £1,500,000, being the issue of 60,000,000 Ordinary Shares of £0.001 each at £0.025 per Ordinary Share, conditional on Admission, less associated costs of Admission totalling £65,000. This has been translated to the US Dollars using the exchange rate of $1.3348.
5. No adjustments have been made to reflect the trading or other transactions since 31 December 2017.
6. The pro forma statement of net assets does not constitute financial statements.

Unaudited pro-forma income statement

	The Company Period ended 31 December 2017 (Note 1)	Navassa Resources Ltd net assets as at 31 December 2017 (Note 2)	Adjustment Acquisition of Navassa Resources Ltd (Note 3)	Adjustment Placing Proceeds (Note 4)	Unaudited pro-forma income statement of the Group for the year 31
	US$	US$	US$	US$	US$
Revenue	-	-	-	-	-
Administration expenses	-	(10,515)	-	-	(10,515)
other income	-	50,000	-	-	50,000
Foreign exchange on conversion of loans	-	63,212	-	-	63,212
Operating loss	-	102,697	-	-	102,697
Tax expenses	-	-	-	-	-
Loss for the period	-	102,697		-	102,697
Other comprehensive income	-	121,010	-	-	121,010
Total comprehensive loss for the period	-	223,707	-	-	223,707

Notes:

1. The financial information relating to the Company has been extracted without adjustment from the historical financial information set out in Part XII of this document.
2. The financial information relating to Navassa Resources Ltd has been extracted without adjustment from the historical financial information set out in Part XII of this document. This adjustment will be recurring as the results of Navassa will consolidated each year.
3. The adjustment relates to the acquisition of Navassa Resources Limited which took place on 7th December 2017. There is no impact of the acquisition on the income statement other than consolidating the results of Navassa which are shown in Note 2 and as a result this column includes no figures. This adjustment will not be recurring.
4. The adjustment represents the impact of the placing on the income statement of which there is none and hence the column has nil figures included therein. This adjustment will not be recurring.
5. No adjustment has been made to reflect trading results of the Group since 31 December 2017.

B.9	**Profit forecast or estimate**	Not applicable; no profit forecast or estimate is made.
B.10	**Qualified audit report**	Not applicable; there are no qualifications in the accountant's report on the historical financial information.

B.11	**Working Capital Explanation**	Not applicable; 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 Prospectus.
SECTION C—SECURITIES		
C.1	**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 £0.025 invested, all such New Ordinary Shares to be issued with Warrants attached on a one for one basis. Each Placing Warrant entitles the warrantholder to subscribe for one Ordinary Share at a price of 12p with a further warrant attached for each two Ordinary Shares subscribed for under those warrants, such new warrants entitling the warrantholder to subscribe for one further Ordinary Share for each such new warrant at a price of 24p. In addition, the Company has issued 4,169,996 warrants to subscribers for Ordinary Shares in the Pre-Financing Placing. Each warrant entitles the warrantholder to subscribe for one Ordinary Share at a price of 12p with a further warrant attached for each two Ordinary Shares subscribed for under those warrants, such new warrants entitling the warrantholder to subscribe for one further Ordinary Share for each such new warrant at a price of 24p. The Ordinary Shares will be registered with ISIN number GB00BF0VMV24 and SEDOL number BF0VMV2. The Company's Legal Entity Identification Number is: 2138007PZJFATXWUTS29.
C.2	**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.
C.3	**Issued share capital**	As at the date of this Prospectus, the Company has an issued share capital of £74,169 comprising 74,169,996 fully paid Ordinary Shares of nominal value £0.001 each. On Admission, the Company will have an issued share capital of £134,169 comprising 134,169,996 fully paid Ordinary Shares. There are no shares in issue that are not fully paid.
C.4	**Rights attached to the securities**	At any general meeting every member who is present in person (or by proxy) shall on a show of hands have one vote and every member present in person (or by proxy) shall on a poll have one vote for each Ordinary Share of which he is the holder. 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. If the Company is wound up, the liquidator may, with the authority of a special resolution and any other authority required by law, divide among the members in specie the whole or any part of the assets of the Company.
C.5	**Restrictions on transferability**	The Ordinary Shares are freely transferable and there are no restrictions on transfer.
C.6	**Application for admission to trading on a regulated market**	Application has been made for the Ordinary Shares to be admitted to a Standard Listing on 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 13 July 2018.

C7	**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.
Section D Risks		
D.1.	**Key information on the key risks that are specific to the issuer or its industry**	**Kavango Minerals is in the exploration and appraisal phase** Kavango Minerals is in the exploration and appraisal phase of its development. Both Projects are regarded as *'early stage exploration projects'* 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 $2m to fund its work programme from Navassa (its parent company) and via earn in payments pursuant to the JV Earn In Agreement. Following Admission, the Group proposes to use the Net Proceeds to conduct a helicopter-borne Electro-Magnetic (EM) survey over substantial parts of the KSZ licensed area to ascertain the existence of geophysical conductors which may represent mineral deposits. An amount of £430,000 will be used to survey an area which the Directors believe will be sufficient and adequate. Such survey is expected to take approximately 5 months. It is estimated that the costs of drilling any prioritised target areas is £355,714 (although much will depend on how many areas are prioritised and the depth of drilling required). Kalahari sand and Karoo sediment cover the areas subject to the PLs making exploration more expensive and risky. In relation to the Ditau area (KSZ PL169/2012), this is more advanced than other areas within the KSZ Project as previous study work has been carried out by Kavango Minerals prior to the Acquisition. The Group proposes to commence drilling in this area concurrent with the proposed EM survey outlined above. 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 is a newly formed entity with no operating history and no historical revenues and is reliant on the success of Kavango Minerals** The Company is newly formed, having been incorporated on 31 May 2017. Its first acquisition was of Navassa on 7 December 2017. The Company is currently the holding company of the Group and will not itself be operating or generating revenues. It is, therefore, entirely dependent on the success of Kavango Minerals, its ultimate subsidiary. Should Kavango Minerals not identify any mineral deposit or be unable to extract any assets identified, this will have a material adverse effect on the financial condition and/or prospects of the Company and its investors. It is

possible (but not guaranteed) that in that instance, subject to necessary funding remaining available, 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 and/or modifying the then work programme, in order to find ways to enhance shareholder value.

Kavango Minerals' capital requirements

In the event that any mineralisation is identified, the Group will have further funding requirements after 18 months from the date of this Prospectus to define further such mineralisation with the aim of delineating a JORC compliant resource and completing feasibility studies. 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.

Risks associated with the JV Earn In Agreement with Rio Tinto Mining & Exploration ("RTME")

The JV Earn In Agreement was entered into between Kavango Minerals and RTME on 8 August 2014, became effective on 20 October 2014 and was amended on 6 March 2017. This agreement currently relates to one PL area in the KCP which is presently (see below) being managed and funded by RTME. The agreement entitles RTME to "earn into" that project subject to certain criteria being met which include stage payments and work commitments.

Kavango Minerals received notice on 28 June 2018 from RTME of its intention to terminate the JV Earn In Agreement. The notice is dated 22 June 2018. In accordance with the terms of the JV Earn In Agreement, termination becomes effective 60 days after the date of the termination notice and, within that 60-day period, RTME is contractually obliged to complete a handover of the results of all exploration work in the relevant PL area and to provide details of expenditure. There can be no guarantee that all relevant information will be supplied by RTME to Kavango Minerals, or provided in a timely manner or one which can be interpreted easily. This could lead to difficulties by Kavango Minerals in making a decision as to how best to proceed with this PL 253-2012 or making the incorrect decision. If this was to occur, it could have a material adverse effect on the Group's prospects.

Also, RTME's exploration programme may not have discovered any deposits of minerals within the relevant PL area or if it did, it will not have been of a deposit size which is of the scale to be viable for RTME. This will not be known until the handover of the relevant information following termination, or at all.

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

Each of the Group's PLs expire at the end of 2019. Of these, 1 PL in the KCP Project (PL253-2012 being the PL subject to the JV Earn In Agreement and, subject to the Company wishing to keep it following termination) and 7 PLs in the KSZ Project will not be extended (as these licences have been extended previously). Accordingly, application will need to be made for the relevant areas of these PLs to be converted into Mining Licences (this can also be done during the tenure of a PL).

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.

A ML will give the holder the right to develop a mine and extract and beneficiate minerals (subject to specified conditions). It is usually valid for a period 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 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 ML will be issued to Kavango Minerals or that Kavango Minerals will have sufficient funds to meet any conditions of the ML.

Of the PLs which can be renewed beyond 2019, 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.

The Group faces governmental regulation and regulatory risk

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. Although this has not occurred in Botswana in the last 5 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.

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.

Contractors or supplier failure

During the exploration phase, Kavango Minerals will engage two principal contractors – a geophysical company responsible for the airborne survey and a drilling company. Whilst every effort will be made by the management team to have robust contracts in place with reputable companies, there can be no guarantee that the supplier will be able to deliver the services for the duration of the agreement, which will result in the Group's current timetable being delayed. Failure of a contractor or a supplier could, therefore, have an adverse

		effect on the Group's business, results of operations, financial condition and/or prospects, which in turn may have a negative impact on the Group **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 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. Along with most commodities, the price of base metals has been generally depressed since the 2008 financial crisis. However, since the end of 2016 there has been a slow but sustained recovery of prices. Whilst this may have a positive impact on the prospects for the Group in the short term, there is no guarantee that this positive trend in prices will continue.
D.3	**Key information on the key risks that are specific to the securities**	**There are risks relating to the Ordinary Shares** The Standard Listing of the Ordinary Shares will afford investors a lower level of regulatory protection than a Premium Listing. A Standard Listing will not permit the Company to gain a FTSE indexation, which may have an adverse effect on the valuation of the Ordinary Shares. Any further issues of Ordinary Share may dilute the investors' shareholdings. Returns on investment may not be realised within investors' perceived reasonable timescales, due to the potential illiquidity of the Ordinary Shares The Company may be unable or unwilling to transition to a Premium Listing in the future. **Fluctuation** The Company's share price will fluctuate and may decline as a result of a number of factors, some of which are outside of the Company's control.
Section E Offer		
E.1.	**Total Placing net proceeds / estimate of expenses**	On a raise of £1.5m (gross), the Net Proceeds are estimated to be £1.435m. The total expenses incurred (or to be incurred) by the Company in connection with the Admission and the Placing are approximately £304,000 (£65,000 from the Placing Proceeds and the remaining £239,000 from the Pre Financing Placing). No expenses will be charged to investors.
E.2a	**Reasons for the Pre-Financing Placing, the Placing and Use of Proceeds**	The Company was formed to acquire natural resource assets. The first acquisition was of Navassa. Following the Acquisition, the Company completed the Pre-Financing Placing pursuant to which it raised £250,200 on 21 December 2017 and issued the Pre-Financing Placing Warrants. Under the Pre-Financing Placing, 4,169,996 Ordinary Shares of 0.1p at a price of 6p per share were issued and allotted to Pre-Financing Placing Placees. The funds from the Pre-Financing Placing were used by the Company principally to fund the Admission and associated costs. New Ordinary Shares are to be issued to Placees at the Placing Price of £0.025 per Ordinary Share (the "Placing Shares"). Net of the cash expenses of Admission, the proceeds will be approximately £1.435m (the "Net Proceeds"). The Net Proceeds of the Placing will provide the Group with working capital to advance its work programme which will include the fees in respect of the proposed airborne EM survey at the KSZ Project.

		Expenditure and Use of Proceeds Kavango Minerals is exploring for Ni-Cu-PGE rich massive sulphide orebodies associated with mafic/ultramafic intrusives emplaced within lower Karoo sediments. As with most early 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, on a large degree, to the results of the ongoing work programmes. The Net Proceeds will be used to progress the Group's proposed work programme (primarily in respect of the KSZ Project) which can be summarised as follows: 1. Appoint appropriate contractors; 2. Complete 2 lines (of approximately 6kms long) of geophysical surveying on the Ditau prospect; 3. Drill a minimum of two holes into the source of the magnetic anomaly on the Ditau prospect (contained within the KCP Project area and listed separately below); 4. Concurrently, carry out helicopter borne EM survey over the remainder of the KSZ PLs; 5. Carry out ground surveys over any conductors identified from the airborne EM survey; 6. Prioritise the conductors for drilling; and 7. If identified, drill the most compelling conductors to achieve intersections of sulphide mineralisation. In addition to the above, the Net Proceeds will be used to purchase an additional 4x4 vehicle and rent a lodge for staff as an operations base for the KSZ Project. Kavango's proposed work programme is based on Net Proceeds of £1.435m (including corporate costs). It is focussed principally on the KSZ Project (save for general and administrative expenses which relate to the Group);

		Proposed Work Program and Budget (18 months) - KSZ Project **Net Proceeds:** — **GBP 1,435,000** **Exploration Costs (which cover the Licence expenditure commitments)** Airborne EM Survey, including interpretation — 430,000 Ground truthing and follow up work * — 130,714 EM and IP geophysical surveys at Ditau — 10,714 Geochemical sampling and assays * — 60,000 Drilling * — 355,714 Field costs, geologists, logistics, licence renewal costs * — 142,857 **Total Expoloration Costs in Botswana** — **1,130,000** **UK office and admin costs** Directors and Management — 184,000 Office (rent, communications, travel) — 62,000 Legal, audit, and PR — 59,000 **Total UK office and admin costs** — **305,000** **Total Expenditure** — **£1,435,000** **Licence expenditure commitments for the years 2018-2019 to Govt.** Expenditure commitments on KSZ licences (12) — 1,115,478 Less amounts spent on KSZ PL's from 1 Jan 2018 to 31 May 2018 — (181,000) Expenditure commitments on RTME JV licence (1) — 79,365 Expenditure commitments on KCP licences (2) — 71,111 **Total licence expenditure commitments from 1 June 2018 to 31 Dec 2019** — **£1,084,954** Exploration costs and Licence expenditure commitments have been converted at USD1.40/GBP Exploration costs are apportioned over all licences (both KSZ and KCP PL's) to ensure expenditure commitments to Govt. are met * The £71,111 referred to in the table above (in respect of the 2 remaining KCP PLs) will be met from some of the asterixed Exploration Costs (as the Directors consider appropriate). The exploration expenses in Botswana set out above are apportioned principally over the 12 KSZ Project PLs, with small amounts set aside in respect of KCP Project PLs - PL248-2014 and PL302-2012, and a full contingency for PL253-2012 given RTME has served notice of its intention to terminate the JV Earn In Agreement (the Directors assuming, until such time as the termination handover process commences, that no money has been spent on this PL during 2018), to maintain each of these PLs in good standing. The outstanding expenditure commitments on the KCP PLs outlined above (during their current tenure) are as follows: 248-2014 and 302-2012 - approximately £71,111 (in aggregate) and £79,365 on PL 253-2012 (full contingency provided for on the PL subject to the JV Earn In Agreement). Provided the commitments are met and the Company wishes to retain the PL 253-2012, the Company will be able to elect at the end of 2019 to apply for a ML in respect of part of the area subject to this PL. In respect of PL248-2014 this can be extended provided all expenditure commitments have been met. This work programme accords with the proposed work programme set out in the CPR. If mineralisation is discovered at any of the Project sites, the Group will consider raising further funding 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.
E.3	**Terms and conditions of the Placing**	The completion of the Placing is conditional on Admission. The Company has raised £1.5m gross in the Placing. This amount may only be waived or amended through the production of a supplementary prospectus.

		Irrevocable commitments, conditional upon Admission, have been received for an aggregate of £1.5m. If Admission does not take place for any reason by 8.00 am. GMT on or prior to 10 July 2018 (or such later date being no later than 31 July 2018 as agreed by SIC and the Company), monies will be returned to Placees without interest. The rights attaching to the New Ordinary Shares will be uniform in all respects and all of the Ordinary Shares will form a single class for all purposes.
E.4	**Material interests**	Not applicable; there is no interest that is material to the issue/offer.
E.5	**Selling Shareholders/ Lock-up agreements**	Not applicable; no person or entity is offering to sell the relevant securities. Each of the Locked In Shareholders have agreed that they shall not, offer, sell, contract to sell, pledge or otherwise dispose of any Ordinary Shares which they hold directly or indirectly in the Company, for a period of 12 months commencing on the date of Admission. After this 12 month period has lapsed, each of the Locked In Shareholders shall not, for a further 12 month period, dispose of any Ordinary Shares in the Company, save through SIC or the Company's then broker. The restrictions on the ability of the Locked In Shareholders to transfer their Ordinary Shares, are subject to certain usual and customary exceptions for: transfers to trusts (including any direct or indirect wholly-owned subsidiary of such trusts) for the benefit of the Locked In Shareholders or their families; transfers to affiliates or direct or indirect equity holders, transfers to any direct or indirect subsidiary of the Company, provided that in each of the foregoing cases, the transferees enter into a lock up agreement; transfers of any Ordinary Shares acquired after the date of Admission in an open-market transaction, or the acceptance of, or provision of, an irrevocable undertaking to accept, a general offer made to all Shareholders on equal terms; after Admission.
E.6	**Dilution**	The existing Shareholders will hold 55.30 per cent. of the Issued Share Capital following the Placing and upon Admission.
E.7	**Expenses charged to Placees**	Not applicable; no expenses will be charged to the Placees.

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 Prospectus 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 Prospectus 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 Prospectus 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 Prospectus 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 Minerals is in the exploration and appraisal phase.

Kavango Minerals is in the exploration and appraisal phase of its development. Both Projects are regarded as *'early stage exploration projects'* 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 $2m to fund its work programme from Navassa (its parent company) and via earn in payments pursuant to the JV Earn In Agreement.

Following Admission, the Group proposes to use the Net Proceeds to conduct a helicopter-borne Electro-Magnetic (EM) survey over substantial parts of the KSZ licensed area to ascertain the existence of geophysical conductors which may represent mineral deposits. An amount of £430,000 will be used to survey an area which the Directors believe will be sufficient and adequate. Such survey is expected to take approximately 5 months. It is estimated that the costs of drilling any prioritised target areas is £355,714 (although much will depend on how many areas are prioritised and the depth of drilling required). Kalahari sand and Karoo sediment cover the areas subject to the PLs making exploration more expensive and risky.

In relation to the Ditau area (KSZ PL169/2012), this is more advanced than other areas within the KSZ Project as previous study work has been carried out by Kavango Minerals prior to the Acquisition. The Group proposes to commence drilling in this area concurrent with the proposed EM survey outlined above.

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 is a newly formed entity with no operating history and no historical revenues and is reliant on the success of Kavango Minerals.

The Company is newly formed, having been incorporated on 31 May 2017. Its first acquisition was of Navassa on 7 December 2017. The Company is currently the holding company of the Group and, will not itself, be operating or generate revenues. It is, therefore, entirely dependent on the success of Kavango Minerals, its ultimate subsidiary.

Should Kavango Minerals not identify any mineral deposit or be unable to extract any assets identified, this will have a material adverse effect on the financial condition and/or prospects of the Company and its investors. It is possible (but not guaranteed) that in that instance, subject to necessary funding remaining available, 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 and/or modifying the then work programme, in order to find ways to enhance shareholder value.

Kavango Minerals' capital requirements.

In the event that any mineralisation is identified, the Group will have further funding requirements after 18 months from the date of this Prospectus to define further such mineralisation with the aim of delineating a JORC compliant resource and completing feasibility studies. 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.

Risks associated with the JV Earn In Agreement with RTME.

The JV Earn In Agreement was entered into between Kavango Minerals and RTME on 8 August 2014, became effective on 20 October 2014 and was amended on 6 March 2017. This agreement currently relates to one PL area in the KCP which is presently (see below) being managed and funded by RTME. The agreement entitles RTME to "earn into" that project subject to certain criteria being met which include stage payments and work commitments.

Kavango Minerals received notice on 28 June 2018 from RTME of its intention to terminate the JV Earn In Agreement. The notice is dated 22 June 2018. In accordance with the terms of the JV Earn In Agreement, termination becomes effective 60 days after the date of the termination notice and, within that 60-day period, RTME is contractually obliged to complete a handover of the results of all exploration work in the relevant PL area and to provide details of expenditure. There can be no guarantee that all relevant information will be supplied by RTME to Kavango Minerals, or provided in a timely manner or one which can be interpreted easily. This could lead to difficulties by Kavango Minerals in making a decision as to how best to proceed with this PL 253-2012 or making the incorrect decision. If this was to occur, it could have a material adverse effect on the Group's prospects.

Also, RTME's exploration programme may not have discovered any deposits of minerals within the relevant PL area or if it did, it will not have been of a deposit size which is of the scale to be viable for RTME. This will not be known until the handover of the relevant information following termination, or at all.

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

Kavango Minerals currently holds 15 licences in its name which are each in good standing. The table below sets out details of the licences, their renewal dates and work expenditure commitments:

					Licence expenditure commitments to Government		
Licence#	**Project**	**Date of Expiry**	**Can be renewed**	**Until date**	**2018 (GBP)**	**2019 (GBP)**	**Total to end 2019 (GBP)**
248-2014	KCP	31-Dec-19	Yes	31-Dec-21	15,873	39,365	55,238
302-2012	KCP	31-Dec-19	Yes	31-Dec-21	15,873	0*	15,873
253-2012	KCP-RTME	31-Dec-19	No		39,683	39,683	79,365
163-2012	KSZ	31-Dec-19	No		48,016	36,905	84,921
164-2012	KSZ	31-Dec-19	No		48,016	36,905	84,921
165-2012	KSZ	31-Dec-19	No		40,079	0*	40,079
166-2012	KSZ	31-Dec-19	No		44,048	0*	44,048
167-2012	KSZ	31-Dec-19	No		44,048	36,905	80,953
168-2012	KSZ	31-Dec-19	No		40,079	0*	40,079
169-2012	KSZ	31-Dec-19	No		44,048	36,905	80,953
509-2014	KSZ	31-Dec-19	Yes	31-Dec-21	46,429	36,111	82,540
510-2014	KSZ	31-Dec-19	Yes	31-Dec-21	46,429	36,111	82,540
155/2016	KSZ	31-Dec-19	Yes	31-Dec-23	70,635	102,381	173,016
156/2016	KSZ	31-Dec-19	Yes	31-Dec-23	70,635	102,381	173,016
157/2016	KSZ	31-Dec-19	Yes	31-Dec-23	58,334	90,079	148,413
TOTAL					**672,222**	**593,731**	**1,265,954**
Less amount spent on KSZ exploration PL's 1Jan18 to 31May18					(181,000)		(181,000)
Balance of exploration expenditure commitments					**491,222**	**593,731**	**1,084,953**

Note 1: The PL expenditure commitments are in USD($) and have been converted to GBP(£) at the rate of USD1.40/1GBP.

Note 2: The annual expenditure set out above has been calculated on the basis of the agreed aggregate expenditure for the particular PL divided by the tenure of that PL less the amounts spent on the PL to 31 May 2018.

Note 3: PLs 302-2012, 165-2012, 166-2012 and 168-2012 are marked "0" for the year 2019 and will be relinquished at the end of 2018; and further relinquished and/or reduction of PL areas may be made once the airborne study has been completed and areas have been prioritised. An explanation as to why these 4 PLs are to be relinquished is set out below.

Note 4: RTME has served notice of its intention to terminate the JV Earn In Agreement in respect of PL253-2012. At present, it is unknown how much money has been spent by RTME in 2018 towards this PL's licence commitment. Accordingly, the Directors have taken the view of including the full commitment.

Note 5: Net Proceeds of £1,435,000 cover the licence expenditure commitments of £1,084,953.

Each of the Group's PLs expire at the end of 2019. Of these, 1 PL in the KCP Project (PL253-2012 being the PL subject to the JV Earn In Agreement and, subject to the Company wishing to keep it following termination) and 7 PLs in the KSZ Project will not be extended (as these licences have been extended previously). Accordingly, application will need to be made for the relevant areas of these PLs to be converted into Mining Licences (this can also be done during the tenure of a PL).

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.

A ML will give the holder the right to develop a mine and extract and beneficiate minerals (subject to specified conditions). It is usually valid for a period 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 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 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 2019, 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.

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

The Group's PLs are currently geographically concentrated solely in two areas of Botswana: As a result of this concentration, the Group may be disproportionately exposed to the impact of local delays or interruptions of development of, and future production from, these locations caused by significant governmental regulation, transportation capacity constraints, curtailment of future production, natural disasters, adverse weather conditions or interruption of transportation or other events which impact this area.

Availability of Required Resources.

Kavango Minerals, as a natural resource 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:

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 require a vast amount 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 when commodity prices were high, labour costs increased which can have a negative effect on exploration budgets.

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.

Inadequate transportation infrastructure.

The Group's operations are in remote locations and can be accessed only by asphalt roads (within the PL's themselves there are only unsurfaced 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 rail within, or near, the project areas. Transporting assets by road is considerably more costly than rail resulting on a negative impact on the Group and its financial prospects.

The Group faces governmental regulation and regulatory risk.

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 5 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.

Environmental Matters and Impact.

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.

Permissions Required.

Two of the Group's KSZ PLs cover parts of the Mabuasehube Game Reserve. Exploration activities in these areas is subject to the provisions of the Wildlife Conservation and National Parks Act (1992) and require prior approval by the Ministry of Commerce and Industry. Such approval may not be given or may be given with conditions which make such appraisal uneconomic.

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 which impact on the Group's future proposals and therefore, profitability.

The due diligence carried out in respect of the acquisition of Navassa may not have revealed all relevant facts or uncovered significant liabilities.

During the Acquisition due diligence process, the Company relied on information available to it and its lawyers in each the UK, Mauritius and Botswana, including publicly available information and information supplied by the Navassa Shareholders.

Any information, including results of past exploration, that was provided or obtained from available sources may not have been accurate at the time of delivery and/or remain accurate during the due diligence process. For example, the Company's Botswana lawyer has explained that, whilst the Botswana Companies Act requires all security taken with respect to a company to be entered in a 'Charge Register" maintained by that company, this is seldom done and it is not possible to definitively confirm there are no mortgages exist.

More broadly, there can be no assurance that the due diligence undertaken revealed all relevant facts or uncovered all of the significant liabilities. If this is the case, the Group may be forced to write-down or write-off assets which may have a material adverse effect on the Company's business, financial condition or results of operations.

RISKS RELATING TO THE SECTOR IN WHICH THE COMPANY OPERATES

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 intends to 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.

Contractors or supplier failure.

During the exploration phase, Kavango Minerals will engage two principal contractors – a geophysical company responsible for the airborne survey and a drilling company. Whilst every effort will be made by the management team to have robust contracts in place with reputable companies, there can be no guarantee that the supplier will be able to deliver the services for the duration of the agreement, which will result in the Group's current timetable being delayed. Failure of a contractor or a supplier could, therefore, have an adverse effect on the Group's business, results of operations, financial condition and/or prospects, which in turn may have a negative impact on the Group.

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 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.

Along with most commodities, the price of base metals has been generally depressed since the 2008 financial crisis. However, since the end of 2016 there has been a slow but sustained recovery of prices. Whilst this may have a positive impact on the prospects for the Group in the short term, there is no guarantee that this positive trend in prices will continue.

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.

The Group is subject to market risks including currency exchange risks.

The Company's functional and presentational currency is UK Sterling. As a result, the Company's consolidated financial statements carry the Company's assets in UK Sterling, whilst the revenues and costs of Kavango Minerals are denominated in Botswana Pula.

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, including by use of hedging and derivative instruments, but there is no assurance that such arrangements will be entered into or available at all times when the Group wishes to use them or that they will be sufficient to cover the risk.

RISKS RELATING TO THE ORDINARY SHARES

A listing on the Standard List will afford investors a lower level of regulatory protection than a Premium Listing.

Application has been made for the Ordinary Shares to be admitted to a Standard Listing on the Official List.

A Standard Listing will afford investors in the Company a lower level of regulatory protection than that afforded to investors in a company with a Premium Listing, which is subject to additional obligations under the Listing Rules. A Standard Listing will not permit the Company to gain a FTSE indexation, which may have an adverse effect on the valuation of the Ordinary Shares. While the Company has a Standard Listing, it is not required to comply with the provisions of, *inter alia*:

- Chapter 8 of the Listing Rules regarding the appointment of a sponsor to guide the Company in understanding and meeting its responsibilities under the Listing Rules in connection with certain matters. The Company has not and does not intend to appoint such a sponsor in connection with the Placing and Admission;
- Chapter 9 of the Listing Rules relating to further issues of shares, issuing shares at a discount in excess of 10 per cent. of market value, notifications and contents of financial information;
- Chapter 10 of the Listing Rules relating to significant transactions, meaning that any subsequent additional acquisitions by the Company, would not require shareholder approval. However, the Company intends to seek shareholder approval where a potential transaction is outside the description outlined in this Prospectus or where more than 100 per cent. of the Company's Ordinary Shares are to be issued as consideration for an acquisition;

- Chapter 11 of the Listing Rules regarding related party transactions. Nevertheless, the Company will not enter into any transaction which would constitute a "related party transaction" as defined in Chapter 11 of the Listing Rules without the specific prior approval of a majority of the Directors;
- Chapter 12 of the Listing Rules regarding purchases by the Company of its Ordinary Shares. In particular, the Company has not adopted a policy consistent with the provisions of Listing Rules 12.4.1 and 12.4.2. The Company will have unlimited authority to purchase Ordinary Shares; and
- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to Shareholders.

Further details regarding the differences in the protections afforded by a Premium Listing as against a Standard Listing are set out in the section entitled "*Consequences of a Standard Listing*" in Part V of this Prospectus.

The Company may be unable or unwilling to transition to a Premium Listing in the future.

The Company is not currently eligible for a Premium Listing under Chapter 6 of the Listing Rules.

There can be no guarantee that the Company will ever meet such eligibility criteria or that a transition to a Premium Listing will be achieved. If the Company does not achieve a Premium Listing, the Company will not be obliged to comply with the higher standards of corporate governance or other requirements which it would be subject to upon achieving a Premium Listing and, for as long as the Company continues to have a Standard Listing, it will be required to continue to comply with the lesser standards applicable to a company with a Standard Listing. Further details regarding the differences in the protections afforded by a Premium Listing as against Standard Listing are set out in the section entitled "*Consequences of a Standard Listing*" in Part V.

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.

Fluctuation of share price.

The price at which the Ordinary Shares are quoted and the price which investors may realise for their Ordinary Shares will be influenced by a number of factors, some specific to the Group's business, operations and performance and some which are outside the Company's control such as general economic conditions and forecasts.

Period to period comparisons of the Group's results may not be meaningful and investors should not rely on them as indications of the Group's future performance. Additionally, stock markets have from time to time experienced significant price and volume fluctuations that have affected the market prices of the companies whose shares are traded on such markets. Such fluctuations could affect the Company's share price, though they may be unrelated to the Group's actual operating performance and prospects.

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

Investments in the Ordinary Shares may be relatively illiquid. There may be a limited number of Shareholders and this factor 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.

The Locked In Shareholders have agreed in their respective Lock-in Deeds to certain restrictions on its respective ability to sell, transfer and otherwise deal in its Ordinary Shares for a period of twelve months from Admission and thereafter for a period of twelve months, to only dispose of its respective interest in the Ordinary Shares in such manner as SIC (or the Company's then brokers) may reasonably require so as to ensure an orderly market in the Ordinary Shares provided that if SIC is unable to make the disposal within ten business days, then the Director shall be entitled to effect the disposal through another broker. Nevertheless, the Company is unable to predict whether substantial amounts of Ordinary Shares will be sold in the open market following the termination of the lock-in arrangements. Any sales of substantial amounts of Ordinary Shares in the public market, or the perception that such sales might occur, could materially and adversely affect the market price of the Ordinary Shares.

Possible issue or sale of shares.

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.

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

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 disapplied the pre-emption provisions set out in the Articles by resolutions dated 14 February 2018.

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 Prospectus	10 July 2018
Admission to the Official List and commencement of unconditional dealings in the Ordinary Shares	13 July 2018
Crediting of CREST accounts in respect of the Ordinary Shares	13 July 2018
Ordinary Share certificates dispatched by week commencing	16 July 2018

All references to time in this Prospectus 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	74,169,996
Number of Pre-Financing Warrants	4,169,996
Number of Placing Shares	60,000,000
Number of Placing Warrants	60,000,000
Number of Broker Warrants	2,600,000
Number of Ordinary Shares in issue on Admission	134,169,996
Percentage of Enlarged Ordinary Share Capital represented by the Placing Shares	44.7
Placing Price	2.5p
Gross Proceeds of the Placing	£1,500,000
Net Placing Proceeds	£1,435,000
Market Capitalisation of the Company at the Placing Price on Admission	£3,354,250

DEALING CODES

LEI	2138007PZJFATXWUTS29
ISIN	GB00BF0VMV24
SEDOL	BF0VMV2
TICKER	KAV

PART IV

DIRECTORS, AGENTS AND ADVISERS

Directors	Douglas Wright Michael Foster Charles Michael Moles
Company Secretary	John Forrest
Registered Office	46 New Broad Street London EC2M 1JH
Telephone Number	+44 (0)203 651 5705
Auditors and Reporting Accountants	PKF Littlejohn LLP Westferry Circus Canary Wharf London E14 4HD
Corporate Adviser	City &Westminster Corporate Finance LLP 50 Jermyn Street London SW1Y 6LX
Legal advisers to the Company as to English law	Keystone Law 48 Chancery Lane London WC2A 1JF
Mauritian Legal Counsel	YJK Legal Unit 3 Level 12 Standard Chartered Tower 19 Bank Street Cybercity Mauritius
Botswana Legal Counsel	Armstrongs 2nd Floor Acacia House Plot 74538, Prime Plaza Cnr Khama Crescent Ext & PG Matante Rd, New CBD P.O. Box 1368, Gaborone, Botswana
Registrar	Share Registrars Limited The Courtyard 17 West Street Farnham Surrey GU9 7DR
Broker	SI Capital Limited 46 Bridge Street

	Godalming Surrey GU7 1HL
Competent Person	The MSA Group (Pty) Ltd Henley House Greenacres Office Park Cnr Victory and Rustenburg Roads Victory Park 2195 Johannesburg
Principal Bankers	NatWest Bank Plc Fenchurch Street London
Website Address	www.kavangoresources.com

PART V

CONSEQUENCES OF A STANDARD LISTING

Application has been made for the Ordinary Shares to be admitted to the standard segment of the Official List pursuant to Chapter 14 of the Listing Rules, which sets out the requirements for Standard Listings. A Standard Listing affords Shareholders and investors in the Company a lower level of regulatory protection than that afforded to investors in companies whose securities are admitted to the premium segment of the Official List, which are subject to additional obligations under the Listing Rules.

The Company intends to comply with the Listing Principles set out in Chapter 7 of the Listing Rules at Listing Rule 7.2.1 which apply to all companies with their securities admitted to the Official List. With regard to the Listing Principles at 7.2.1A, the Company is not, however, subject to such Listing Principles and will not be required to comply with them by the UK Listing Authority.

Listing Rules which are not applicable to a Standard Listing

While the Company has a Standard Listing, it is not required to comply with the provisions of, among other things:

- **Chapter 8** of the Listing Rules regarding the appointment of a sponsor to guide the Company in understanding and meetings its responsibilities under the Listing Rules in connection with certain matters. The Company has not and does not intend to appoint such a sponsor on Admission;

- **Chapter 9** of the Listing Rules relating to further issues of shares, issuing shares at a discount in excess of 10 per cent. of market value, notifications and contents of financial information; •

- **Chapter 10** of the Listing Rules relating to significant transactions, meaning that any subsequent additional acquisitions by the Company, would not require shareholder approval. However, the Company intends to seek shareholder approval where a potential transaction is outside the description outlined in this Prospectus or where more than 100 per cent. of the Company's Ordinary Shares are to be issued as consideration for an acquisition;

- **Chapter 11** of the Listing Rules regarding related party transactions. Nevertheless, the Company will not enter into any transaction which would constitute a "related party transaction" as defined in Chapter 11 of the Listing Rules without the specific prior approval of a majority of the Directors;

- **Chapter 12** of the Listing Rules regarding purchases by the Company of its Ordinary Shares. In particular, the Company has not adopted a policy consistent with the provisions of Listing Rules 12.4.1 and 12.4.2. The Company will have unlimited authority to purchase Ordinary Shares; and

- **Chapter 13** of the Listing Rules regarding the form and content of circulars to be sent to Shareholders.

It should be noted that the UK Listing Authority will not have the authority to (and will not) monitor the Company's compliance with any of the Listing Rules or those aspects of the Disclosure Guidance and Transparency Rules (including the Market Abuse Regulations) which the Company has indicated herein that it intends to comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company so to comply. However, the FCA would be able to impose sanctions for non-compliance where the statements regarding compliance in this Prospectus are themselves misleading, false or deceptive.

Listing Rules with which the Company must comply under a Standard Listing

There are, however, a number of continuing obligations set out in Chapter 14 of the Listing Rules that will be applicable to the Company:

- compliance with the Listing Principles set out in Listing Rule 7.2.1;

- compliance with the reverse takeover rules set out in Listing Rule 5.6.1R;

- where shares of the same class of shares that are already listed are allotted, the Company must apply for such newly allotted shares to be admitted to listing. The application must be made as soon as possible and, in any event, within one year of the allotment;

- the forwarding of circulars and other documentation to the UKLA for publication through the document viewing facility and related notification to a regulatory information service;

- the provision of contact details of appropriate persons nominated to act as a first point of contact with the UKLA in relation to compliance with the Listing Rules and the Disclosure Guidance and Transparency Rules;

- the form and content of temporary and definitive documents of title;

- the appointment of a UK registrar;

- the making of regulatory information service notifications in relation to a range of debt and equity capital issues. This information includes proposed changes to the capital structure, any redemption of listed shares, any extension of time granted for the currency of temporary documents of title and the results of any new issue of equity securities or public offering of existing equity securities; and

- save where the FCA accepts a lower percentage than 25 per cent., at least 25 per cent. of the Ordinary Shares need to be held by the public in one or more EEA states. Notwithstanding the above, it must be noted that the Issuer will be admitted to trading on the regulated market of an EU member state and as such, the Issuer must further comply with all the provisions of the EU Directives as transposed by national laws.

In addition, as a company whose securities are admitted to trading on the regulated market, the Company will be required to comply with the DTRs.

The Company is not currently eligible for a Premium Listing under Chapter 6 of the Listing Rules and does not currently intend to seek to transfer to either a Premium Listing or other listing venue. Should the Company determine to seek a transfer to a Premium Listing there is no guarantee that it would able to fulfil the relevant eligibility criteria.

PART VI

IMPORTANT INFORMATION

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

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

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

Prospective investors must not treat the contents of this Prospectus 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 Prospectus. Any decision to invest in the Ordinary Shares should be based on consideration of this Prospectus as a whole by the investor. In particular, investors must read the section headed **Section D (Risks)** of the Summary together with the risks set out in the section headed "***Risk Factors***" beginning on page 23 of this Prospectus.

This Prospectus 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 Prospectus, 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 Prospectus 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 Prospectus and the offering of Ordinary Shares in certain jurisdictions may be restricted. Accordingly, persons outside the United Kingdom who obtain possession of this Prospectus 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 Prospectus 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 Prospectus 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 Prospectus. 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 Prospectus and the terms of the Admission, including the merits and risks involved. The contents of this Prospectus 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 Prospectus should be read in its entirety before making any investment in the Ordinary Shares. All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the 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 9 of Part XIV *"Additional Information"*.

This Prospectus 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 Prospectus.

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 Prospectus, 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 Prospectus 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 Prospectus apply only as at the date of this Prospectus. Subject to any obligations under Listing Rules, the Disclosure Guidance and Transparency Rules and the Prospectus 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 Prospectus 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 Prospectus, the source of such information has been identified.

Currency presentation

Unless otherwise indicated, all references in this Prospectus to "UK Sterling", "British pound sterling", "sterling", "£", or "pounds" are to the lawful currency of the U.K. 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 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 Prospectus or any website directly or indirectly linked to these websites have not been verified and do not form part of this Prospectus, and prospective investors should not rely on them.

Definitions

A list of defined terms used in this Prospectus is set out in *"**Definitions**"* beginning at page 270.

PART VII

INFORMATION ON THE GROUP AND MARKET OVERVIEW

Introduction

The Company has been formed to acquire natural resource assets, the first of which was the acquisition of Navassa.

Navassa was acquired by the Company on 7 December 2017 and is the parent company of Kavango Minerals (Pty) Ltd which has the benefit of 15 Prospecting Licenses. The consideration for the Acquisition, equating to $3,500,000, was paid by means of the allotment of 44,370,000 Ordinary Shares in the Company (prior to its conversion into a public limited company on 24 January 2018).

In addition to the Acquisition, on the same date and as subsequently amended, the Company and the Navassa Shareholders entered into Option Agreements pursuant to which the Navassa Shareholders were permitted to repurchase their Navassa Shares for an aggregate amount of $4 should Admission not be completed by 31 July 2018. These options will lapse on Admission.

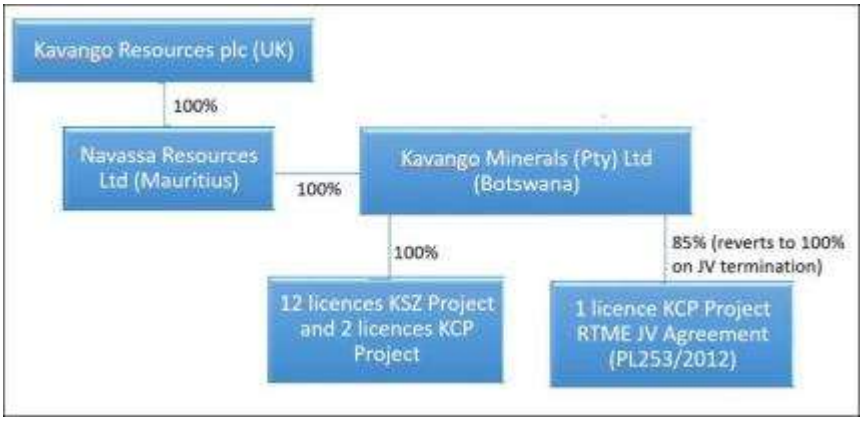
Following the Acquisition, the Company raised £250,200 by means of the Pre-Financing Placing and is proposing to raise further funds by means of the Placing primarily to pay for the costs of Admission and for the exploration and development of the Projects (please see the Use of Proceeds on page 51 of this Prospectus).

Pre-Financing Placing Warrants were issued to subscribers of Ordinary Shares under the Pre-Financing Placing on a one for one basis, full details of which are set out in paragraph 4 of Part XIV of this Prospectus (Additional Information) on page 245.

The Company, will on Admission, be a holding company with the following subsidiaries:

Name & Country of Incorporation	***Proportion of equity ownership***	***Principal activity***
Navassa Resources Ltd (Mauritius)	100%	Holding Company
Kavango Minerals (Pty) Limited (Botswana)	100%	Ultimate Operating Subsidiary

A corporate structure is set out below:



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

History of the Company

Date	***Event***
31 May 2017	*Company formed*
31 May 2017	*15,000,000 Subscriber Shares issued to the Founders*
27 October 2017	*An aggregate of 9,630,000 Ordinary Shares issued to the Founders*
27 October 2017	*1,000,000 Ordinary Shares issued to Lesley Wright*

7 December 2017	*Acquisition of Navassa Resources Ltd*
21 December 2017	*£250,200 raised by the issue of 4,169,996 Ordinary Shares to subscribers in the Pre- Financing Placing with Pre-Financing Placing Warrants attached on a one for one basis*
24 January 2018	*Conversion to public company*

Competent Persons' Report

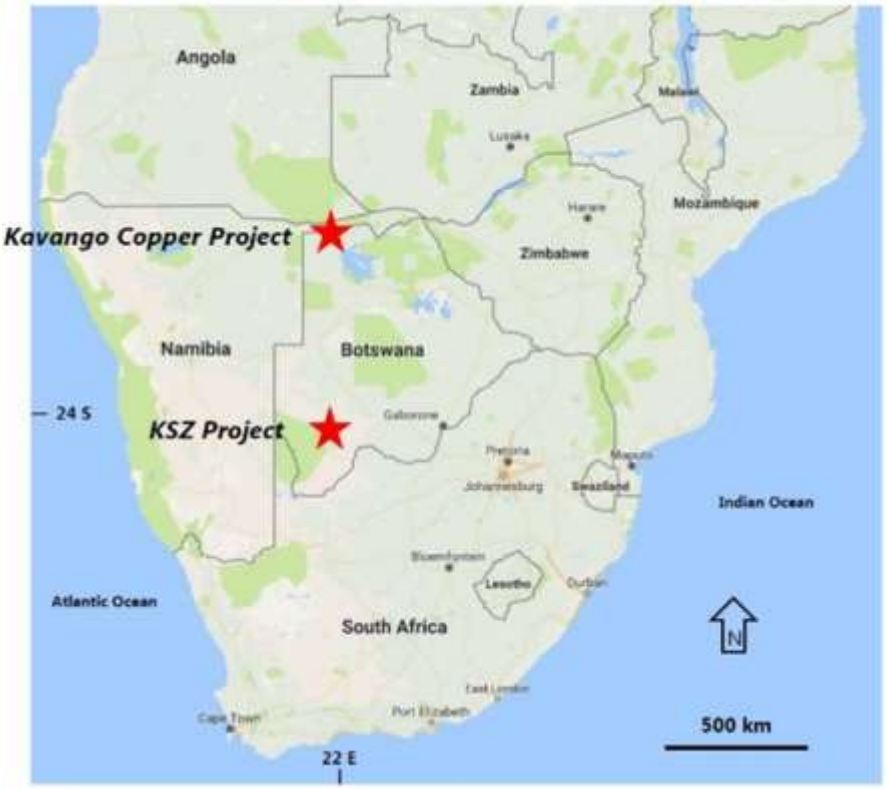
The Group commissioned an Independent Technical Report (the Competent Person's Report) from MSA Group (Pty) Ltd produced in accordance with accepted engineering principles of the JORC Code. The Competent Person's Report is set out in full at Part XI of this Prospectus.

Kavango Minerals (the Company's ultimate subsidiary) has an interest in 15 Prospecting Licenses covering two areas in Botswana. For the purposes of this Prospectus and the CPR (seen in full at Part XI of this Prospectus) the Company's Projects have been divided into:

a) the Northwestern Botswana project (referred to herein and the CPR as the "**Kavango Copper Project**" or "**KCP**"); and

b) the Kalahari Suture Zone project (the "**KSZ Project**" or "**KSZ**") (located in Southwestern Botswana).

Location of the two Project areas in Botswana with neighbouring countries



Kavango Minerals is the holder of all of the licences comprising the KCP, however, until termination of the JV Earn In Agreement becomes effective (see below), RTME is the operator and currently funds 100% of the expenditure on one of the PLs (253/2012) which is subject to the JV Earn In Agreement. Following termination becoming effective, Kavango Minerals will be the operator of this PL.

The other two KCP PLs have been assigned out of the JV Earn In arrangement to Kavango Minerals.

Kavango Minerals received notice on 28 June 2018 from RTME of its intention to terminate the JV Earn In Agreement. The notice is dated 22 June 2018. In accordance with the terms of the JV Earn In Agreement, termination becomes effective 60 days after the date of the termination notice and, within that 60-day period, RTME is contractually obliged to complete a handover of the results of all exploration work in the relevant PL area and to provide details of expenditure. The Directors will be seeking to arrange a meeting with RTME in the autumn 2018.

Following receipt of this handover information, Kavango Minerals will analyse the results in order to decide its exploration strategy in relation to PL253/2012 (the PL subject to the JV Earn In Agreement). This may involve relinquishing this PL, continuing exploration, and/or identifying a new JV partner (although it is stressed that no decision can be made until such time as the results have been received and analysed).

Kavango Minerals is the holder of 12 PLs in respect of the KSZ Project.

Both Projects are regarded as *'early stage exploration projects'* and are therefore speculative in nature. However, based on current geological evidence, the Competent Person is of the opinion that the 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 either of the Projects.

Details of the expenses incurred by Navassa in relation to the Projects (representing costs capitalised within exploration assets in accordance with IFRS 6 "Exploration for and Evaluation of Mineral Resources) is set out on p232 of this Prospectus.

Exploration Rationale

KCP

The exploration rationale in relation to the KCP is premised on the interpreted correlation between Proterozoic rocks underlying Kalahari cover in Northwest Botswana and the Katanga Sequence which hosts the Central African Copperbelt deposits in Zambia and the DRC. Northwest Botswana is considered prospective for exploration targeting of sediment-hosted copper-cobalt deposits as well as related structurally controlled secondary copper-cobalt deposits. Previous work has provided sufficient encouragement to warrant further exploration.

Work conducted by Kavango Minerals and RTME to date has been insufficient to test this rationale and additional exploration work is necessary to confirm the interpreted stratigraphic correlation and identification of appropriate targets for drill testing.

KSZ

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 airborne electromagnetic survey over the bulk 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.

Proposed Work Programmes

KCP Project

The work programme proposed by RTME for PL253/2012 was initially aimed to test targets in a defined prospective portion of the PL area. This involved drilling of targets generated by exploration work carried out by RTME in previous years. As mentioned above, RTME has served notice of its intention to terminate the JV Earn In Agreement. Accordingly, and as part of the termination handover process, it will be obliged to provide Kavango Minerals with all of its results (including drilling results) after which Kavango Minerals will be able to assess whether to continue the programme commenced by RTME, whether to instigate new investigations or whether to relinquish the licence.

No significant field work is planned by the Group on the remaining two licenses in the KCP (248/2014 and 302/2012) for the time being save for a small amount of geophysical work required to maintain the PLs in good standing.

KSZ Project

After a comprehensive assessment of open file gravity and aeromagnetic data, a review and re-logging of historic borehole material, Kavango carried out geochemical soil sampling and ground geophysical surveys and concluded that an airborne EM survey over the entire KSZ Project area is required to assess the possibility of buried sulphide-hosted Cu-Ni-PGE mineralisation associated with mafic intrusions along and adjacent to the Kalahari Suture Zone. Kavango has prepared a staged exploration programme (Table 1-3 of the CPR) and MSA supports Kavango's plan to fly an EM survey over its ground holding in the KSZ area. It is further recommended to use a second geophysical consulting company for the interpretation of the EM data and to ground- truth a

broad range of identified EM anomalies by refining existing ground geophysical traverses, or establishing new grids over the respective anomalies, prior to drilling.

In parallel to the above and in the short term, drilling is planned by the Group at the Ditau licence site (KSZ Project PL169/2012) where previous surveys carried out by Kavango Minerals have already identified targets for further investigation.

The Licenses

A summary of the 15 PLs held by the Group is shown below:

Summary table of Kavango Resources plc assets

Asset	License holder	Kavango's interest	Status	License expiry date	PL area	Comments
Copper Project	Kavango Minerals (Pty) Limited	100% 85%[1] 100 %	Exploration	PL248/2014: 31 Dec 2019* PL253/2012: 31 Dec 2019 PL302/2012: 31 Dec 2019	192 km² 447 km² 230 km²	Renewal applications for a further 2 years granted on 21 Nov 2017 for the 3 PLs without a reduction in PL areas
KSZ Project	Kavango Minerals (Pty) Limited	100 %	Exploration	PL163/2012: 31 Dec 2019 PL164/2012: 31 Dec 2019 PL165/2012: 31 Dec 2019 PL166/2012: 31 Dec 2019 PL167/2012: 31 Dec 2019 PL168/2012: 31 Dec 2019 PL169/2012: 31 Dec 2019	497.4 km² 496.9 km² 457.3 km² 493.8 km² 432.4 km² 436.5 km² 469.2 km²	Renewal applications for a final 2 years granted on 21 Nov 2017 for the 7 PLs PL163/2012 to PL169/2012 without a further 50% reduction in PL areas
				PL509/2014: 31 Dec 2019* PL510/2014: 31 Dec 2019*	413 km² 498.6 km²	First renewal applications for a further 2 years granted on 21 November 2017 for PL509/2014 and PL510/2014 with a 50% reduction in PL areas
				PL155/2016: 31 Dec 2019** PL156/2016: 31 Dec 2019** PL157/2016: 31 Dec 2019**	975 km² 977 km² 781 km²	Renewal application due in 2019 for a two year period with a 50% reduction in PL area

Note: *PLs are granted for a maximum of 7 years with two renewals of 2 years each after the initial 3 year period. A reduction of 50% of the PL surface area is expected at the start of each of the two renewal periods*
** = can be renewed for a further 2 year period up to 31 December 2021*
*** = can be renewed for two further 2 year periods with a 50% reduction in surface area up to 31 December 2023*
[1] = Upon termination of the RTME JV Agreement, Kavango's interest will revert to 100%

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 amount of money that is 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 15 PLs entitle Kavango Minerals to prospect for "*Metals*" which includes all precious metals, base metals and rare earth elements.

The table below sets out the annual expenditure requirements for each of the PLs for the years 2018 and 2019:

					Licence expenditure commitments to Government		
Licence#	**Project**	**Date of Expiry**	**Can be renewed**	**Until date**	**2018 (GBP)**	**2019 (GBP)**	**Total to end 2019 (GBP)**
248-2014	KCP	31-Dec-19	Yes	31-Dec-21	15,873	39,365	55,238
302-2012	KCP	31-Dec-19	Yes	31-Dec-21	15,873	0*	15,873
253-2012	KCP-RTME	31-Dec-19	No		39,683	39,683	79,365
163-2012	KSZ	31-Dec-19	No		48,016	36,905	84,921
164-2012	KSZ	31-Dec-19	No		48,016	36,905	84,921
165-2012	KSZ	31-Dec-19	No		40,079	0*	40,079
166-2012	KSZ	31-Dec-19	No		44,048	0*	44,048
167-2012	KSZ	31-Dec-19	No		44,048	36,905	80,953
168-2012	KSZ	31-Dec-19	No		40,079	0*	40,079
169-2012	KSZ	31-Dec-19	No		44,048	36,905	80,953
509-2014	KSZ	31-Dec-19	Yes	31-Dec-21	46,429	36,111	82,540
510-2014	KSZ	31-Dec-19	Yes	31-Dec-21	46,429	36,111	82,540
155/2016	KSZ	31-Dec-19	Yes	31-Dec-23	70,635	102,381	173,016
156/2016	KSZ	31-Dec-19	Yes	31-Dec-23	70,635	102,381	173,016
157/2016	KSZ	31-Dec-19	Yes	31-Dec-23	58,334	90,079	148,413
TOTAL					**672,222**	**593,731**	**1,265,954**
Less amount spent on KSZ exploration PL's 1Jan18 to 31May18					(181,000)		(181,000)
Balance of exploration expenditure commitments					**491,222**	**593,731**	**1,084,953**

Note 1: The PL expenditure commitments are in USD($) and have been converted to GBP(£) at the rate of USD1.40/1GBP.

Note 2: The annual expenditure set out above has been calculated on the basis of the agreed aggregate expenditure for the particular PL divided by the tenure of that PL less the amounts spent on the PL to 31 May 2018.

Note 3: PLs 302-2012, 165-2012, 166-2012 and 168-2012 are marked "0" for the year 2019 and will be relinquished at the end of 2018; and further relinquished and/or reduction of PL areas may be made once the airborne study has been completed and areas have been prioritised. An explanation as to why these 4 PLs are to be relinquished is set out below.

Note 4: RTME has served notice of its intention to terminate the JV Earn In Agreement in respect of PL253-2012. At present, it is unknown how much money has been spent by RTME in 2018 towards this PL's licence commitment. Accordingly, the Directors have taken the view of including the full commitment.

Note 5: Net Proceeds of £1,435,000 cover the licence expenditure commitments of £1,084,953.

The Company has, since the start of 2018 to 31 May 2018, spent £181,000 on the KSZ PLs, including geophysical work (magnetic inversion techniques). This has enabled the Directors to identify the areas which are no longer of interest (PLs 165-2012, 166-2012 and 168-2012) either because these PLs fall outside areas of interest or potential mineralization is too deep to extract commercially. In respect of PL 302-2012, this will be relinquished because the geophysical work has not identified any targets of interest. These four PLs will be relinquished before the end of 2018.

In the event that any further PLs are relinquished or reduced prior to the end of 2019, the relevant work and expenditure commitments would reduce accordingly.

At the end of 2019 (and prior to the end of the PLs' tenure), the Group may apply for a renewal of any of the PLs that are eligible for renewal. As part of the application process, the Group will set out the area it wishes to renew (generally a reduction of 50% of the area is expected (as selected by the Group)), the work programme of exploration proposed to be carried out and the amount of money that is to be spent on the relevant licence to carry out such programme during the renewal period of two years in respect of the proposed licence tenure.

In respect of the PLs which cannot be renewed (as they have been renewed previously), prior to the end of the tenure of the PL, the Group will need to make a decision as to whether to apply for a Mining Licence in respect of part of the relevant PL area or to let the PL lapse.

The exploration expenses incurred to date in relation the PLs related to geological surveys, sampling, staff costs and general office costs. These were incurred to ensure that the licence requirements were met and appropriate work could be performed to assess the licence areas.

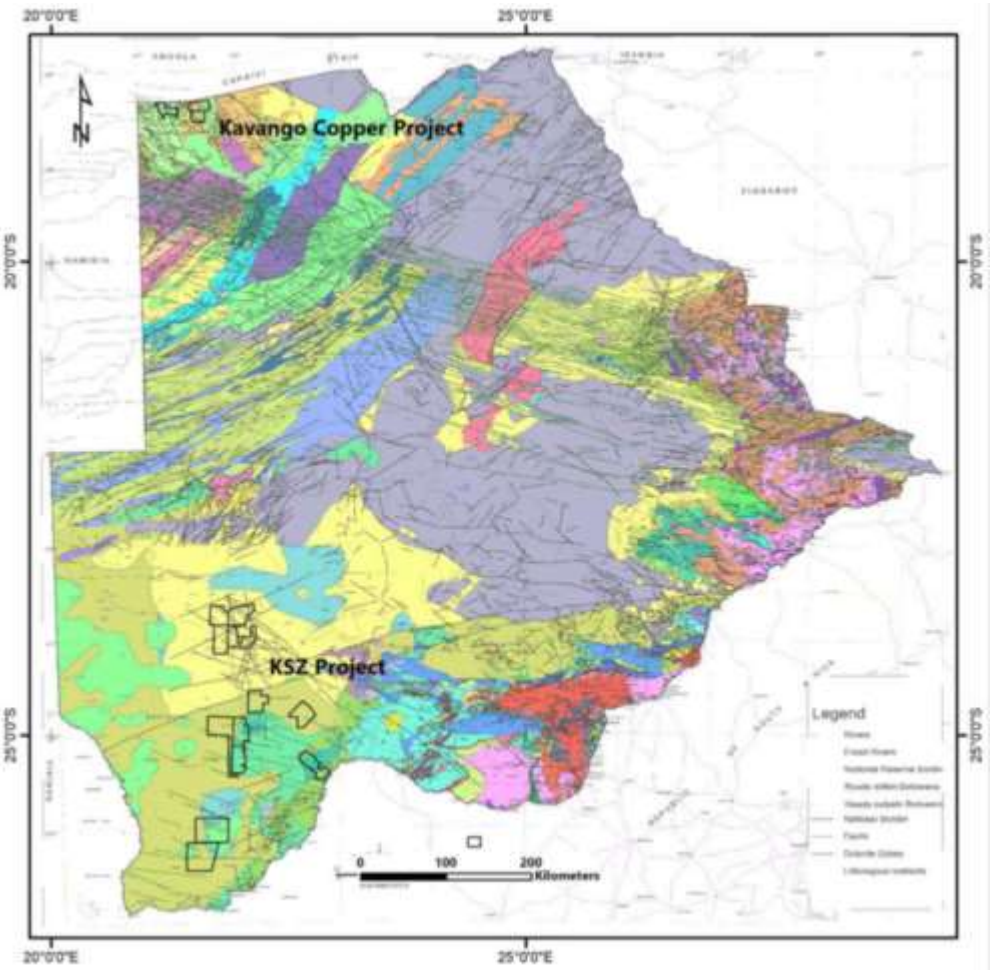
Details of the expenses incurred by Navassa in relation to the Projects (representing costs capitalised within exploration assets in accordance with IFRS 6 "Exploration for and Evaluation of Mineral Resources") is set out on p232 of this Prospectus.

Further details of Mining Licenses and the application process are set out on page 58 of this Prospectus.

Surface Area and Location

The 3 KCP PLs have a combined surface area of 869 km2; and the 12 PLs of the KSZ Project have a combined surface area of 6,928.1 km2 resulting in a total area for the 15 PLs of approximately 7,797 km2.

The location of the PLs is set out below:



The JV Earn In Agreement in relation to the KCP

The JV Earn In Agreement was entered into between Kavango Minerals and Rio Tinto Mining & Exploration Limited on 8 August 2014 and became effective on 20 October 2014. It was amended on 6 March 2017.

Kavango Minerals received notice on 28 June 2018 from RTME of its intention to terminate the JV Earn In Agreement. The notice is dated 22 June 2018. In accordance with the terms of the JV Earn In Agreement, termination becomes effective 60 days after the date of the termination notice and, within that 60-day period, RTME is contractually obliged to complete a handover of the results of all exploration work in the relevant PL area and to provide details of expenditure. The Directors will be seeking to arrange a meeting with RTME in the autumn 2018.

Following receipt of this handover information, Kavango Minerals will analyse the results in order to decide its exploration strategy in relation to PL253/2012 (the PL subject to the JV Earn In Agreement). This may involve relinquishing this PL, continuing exploration, and/or identifying a new JV partner (although it is stressed that no decision can be made until such time as the results have been received).

For completeness and given Kavango Minerals is still subject to the terms of this Agreement until termination is effective (being 60 days from the date of the termination notice), we have included the following summary of the material terms of the JV Earn In Agreement:

1. Under the terms of the JV Earn In agreement an "area of interest" was defined in the Northwestern corner of Botswana that included at the time 4 licences that were held by Kavango. By mutual agreement in March 2017, the scope of the area of interest was reduced to include only licence PL 253/2012.

2. RTME has a right (but not an obligation) to earn-in to the JV in three stages, and as a result can earn up to a 90% interest in the KCP. In order to complete all three stages, RTME must either complete a bankable feasibility study or incur total project expenditure of $8 million. RTME can complete any stage, but is under no obligation to complete any further stage.

3. During the "Earn-in period" (being the period ending with the date RTME has acquired a 90% interest in the KCP), the exploration of the licences within the area of interest is to be managed and funded solely by RTME. After the end of that period (to be determined by RTME), each party will fund pro rata to its interest in the JV at the time. Any failure to fund pro rata by either party will result in its interest in the JV being diluted in accordance with a set formula.

4. If RTME completes all three stages of the Earn-in:

i. Kavango has the right to hold its remaining 10% participating interest or convert it to a royalty of 1% on iron ore products and 0.5% on other products, subject to a $75 million limit.

ii. RTME will make a payment to Kavango Minerals of $2.5 million.

5. It was further agreed that certain cash payments would be made by RTME to Kavango Minerals on each anniversary of the effective date of the JV Earn In Agreement during the Earn-in period (payable up to the end of the Earn- In Period or the 10th anniversary or the termination of the agreement, whichever is earlier).

6. At the option of RTME, the licence may be transferred to a newly incorporated joint venture company ("JV Company") in such jurisdiction as RTME decides. Within 90 days of the incorporation of that JV Company, RTME and Kavango Minerals will negotiate in good faith to enter into a formal joint venture agreement governing the JV Company and the further development of the project.

Subsequent to the signing of the initial JV Earn In Agreement in August 2014, RTME was undertaking a program of exploration, highlights of which are as follows:

- On 8 December 2015, RTME gave notice that it had completed stage 1 of the Earn-in, earning a 15% interest in the KCP;
- Following a VTEM (airborne EM) survey over the licences in 2016 and the identification of EM conductors, RTME drilled 6 diamond holes (for 1,510 metres) into a number of targets.
- Kavango Minerals was advised that RTME was planning to drill a geophysical target close to the Namibian border in 2018.
- Up to the end of September 2017, RTME has spent a total of $1.475 million on the JV.

Progress on the three stages of the JV Earn In Agreement are as follows:

- Stage 1 allows RTME to acquire a 15% interest in the JV. This is achieved by incurring total project expenditure of USD 500,000 on or before the 31st December 2015. This stage has been completed.
- Stage 2 allows RTME to increase its interest in the JV to 55% by spending a further USD 2 million on the project. This was to be completed by 31st December 2017 but by agreement the completion date was extended to 31st December 2018.
- Stage 3 allows RTME to take its interest in the JV to 90% by completing a bankable feasibility study or by incurring a total project expenditure of USD 5.5 million. RTME has the right to complete this stage by paying Kavango Minerals an equivalent amount in cash. There is no time limit for the completion of Stage 3.

The JV Earn In Agreement provides that annual payments are made to Kavango Minerals on the anniversary of the date of signing the JV Earn In Agreement. The payments are as follows USD 75,000 on the first two anniversaries, USD 50,000 on the third anniversary and USD 100,000 for subsequent anniversaries until such

time the Stage 3 earn-in has been completed, or the 10th anniversary of the JV Earn-in Agreement, whichever is the sooner. Three cash payments have been made so far.

A further cash payment by RTME of USD 2.5 million is to be made to Kavango Minerals on completion of the Stage 3 earn-in.

Prior to the completion of the Stage 3 earn-in, either party to the JV Earn-In Agreement may sell, dispose or transfer its interest in the project to a third party. However, the remaining party has a right of first refusal.

After the completion of the Stage 3 earn-in, the party holding a minority interest in the JV may sell, dispose or transfer its interest in the JV provided it first offers that to the party holding a majority interest in the JV on the same terms. However, if the party holding a majority interest in the JV wishes to sell, dispose or transfer its interest in the JV it is obliged to give the minority interest holder an opportunity to offer to acquire its interest but it is not obliged to accept that offer.

Extracts from the CPR

Below are extracts from the CPR which is set out in full at Part XI of this Prospectus.

A glossary of the technical terms can be seen in the CPR.

Location and Access

Kavango Copper Project

The Kavango Copper Project area is accessed by a 380 km reasonably maintained tarred road (the A35) from the regional centre of Maun to the town of Shakawe. Shakawe is located 250 km to the northwest of Maun. Maun has an international airport and is well-serviced by scheduled flights. Owing to the tourism industry within the Okavango Delta area, charter flights are available in and out of Shakawe.

Access to the Project area is via a calcrete sealed road to the Tsodilo Hills that branches off the A35 at Mohembo village on the Botswana-Namibia border, about 14 km north of Shakawe. This road passes through the Copper Project licenses, and through Chukumuchu and the Tsodilo Hills before it re-joins the A35 at Nxamasere.

Access within the individual license areas is in the form of sandy tracks, which are often developed along cut-lines.

KSZ Project

The 12 PLs of the KSZ Project occur within an approximately 350 km long and up to 100 km wide north-south orientated block in the western part of the Kalahari Desert. Access is through the paved Trans-Kalahari Highway ("TKH") linking Botswana's capital city Gaborone with the Namibian capital Windhoek. The PLs within the KSZ block can be reached with a 4x4 off road vehicle via a further tar road from the village Kang (along the TKH) to the regional administrative village Hukuntsi and then via a series of relatively wide sand tracks.

The southern PLs 509/2014 and 510/2014 are accessed via the tarred road to Tsabong followed by sand tracks. Travel times to the individual PLs from Gaborone are between 5 and 7 hours and approximately 1 to 3 hours from Kang and Tsabong which offer overnight and other basic facilities similar to Hukuntsi which has a hospital, a small airport and several government offices.

Geology

Kavango Copper Project

The Kavango Copper Project licenses are underlain by sedimentary cover rocks of the Cenozoic Kalahari Group, with no known outcrops of Proterozoic rocks. Based on recent drilling, the Kalahari cover in this area varies in thickness between 30 m and 120 m and is underlain by Proterozoic rocks.

Similarities in age, stratigraphy and structure between the Lufilian Arc in Zambia and that of northwest Botswana have been recorded by various workers since 2009. Regional gravity data indicates a gravity low that extends from northwest Zambia through eastern Angola and the Caprivi Strip of Namibia into northwest Botswana. Diamond drilling by Tsodilo Resources Limited and First Quantum Minerals on licenses adjacent to the Copper Project has intersected metasedimentary rocks which have been correlated with the Katanga Supergroup forming the Lufilian Arc. These lithologies are viewed as prospective for hosting Copperbelt-style sediment- hosted copper deposits.

Further, interpretation of new and existing magnetic data suggests a complex linking of the Damara Belt in Namibia with the Lufilian Arc in northwest Botswana. This region, which includes the Kavango Copper Project area, is therefore considered prospective for hosting various types of mineral deposits including Copperbelt-style copper-cobalt deposits at multiple positions in the stratigraphy, stratabound sediment-hosted nickel deposits, magnetite iron ore deposits and iron oxide-copper-gold ("IOCG"), carbonate-hosted zinc-lead and skarn-type deposits.

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 (Figure 1-1 of the CPR). 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).

In the late Proterozoic (~1.07 Ga), intra-continental rifting developed within the Kheis Belt which led to the development of a large sedimentary basin (Nossop Basin) across southwest Botswana and Namibia. There is no evidence that rifting advanced to the stage of sea floor spreading but the eastern margin of the rift was intruded by large volumes of mafic magma which formed the Tshane, Tsetseng and Xade Complex. These predominantly intrusive rocks and older sedimentary sequences (i.e. Transvaal and Olifantshoek Supergroups) are unconformably overlain by sediments of the Karoo Supergroup which are frequently intruded by late/post-Karoo (~180 Ma) doleritic dykes and sills which were emplaced after the completion of Karoo sedimentation. The dykes and sills are considered feeders to the Karoo volcanic rocks (i.e. Stormberg Group flood basalts) that cover vast portions of southern Africa, South America, India and Australia heralding the start of the breakup of the Gondwana Supercontinent in the early Jurassic epoch. Doleritic dykes and sills linked to the latter event are termed "post-Karoo" throughout this report.

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. The number of boreholes which are sufficiently deep and well enough documented to be geologically meaningful is 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 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 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 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 remnant magnetisation of the bodies reportedly vary widely (MPH, 1996).

Potential host rocks for Ni-Cu-PGE mineralisation in or adjacent to the Suture Zone exist in 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). 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 Martin 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

Kavango Copper Project

Exploration in the Kavango Copper Project area is aimed at the discovery of sediment-hosted copper and related deposits beneath relatively shallow Kalahari Group cover in northwest Botswana. The geological model is based on the interpreted extension of the stratigraphic sequence hosting the Central African Copperbelt through eastern Angola and Namibia into northwest Botswana.

Work conducted by Kavango included preliminary soil geochemistry aimed at seeing through the Kalahari cover. Most of the work in the project area has however been carried out by RTME as an earn-in JV partner. This work included a Versatile Time Domain Electromagnetic ("VTEM™") airborne survey flown across the five Prospecting Licenses comprising the original extent of the Copper Project area. A follow-up ground magnetic survey and Natural Source Audio Magneto Telluric ("NSAMT") and Controlled Source Audio Magneto Telluric ("CSAMT") surveys were conducted over the most prominent VTEM™ conductor.

Various targets arising from the geophysics were tested with seven diamond drillholes in 2016. The results indicated low grade copper in gabbros and a shale unit.

KSZ Project

Exploration in the KSZ area 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 Licenses 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 and regional soil sampling was subsequently employed on two of five PLs acquired in 2014 and 2016. These methods are however not suitable to detect deeper-seated disseminated or massive sulphides which prompted Kavango to consider a helicopter-based electromagnetic ("EM") survey over the entire KSZ tenure area.

Mineral Resource

No Mineral Resources have been identified or estimated for the two Projects.

Risks and Opportunities

Kavango Copper Project

The Kavango Copper Project is based on the interpreted stratigraphic correlation between Proterozoic rocks beneath Kalahari cover in northwest Botswana and the Katanga Supergroup which hosts the copper-cobalt deposits of the Central African Copperbelt in Zambia and the Democratic Republic of Congo. Application of the Copperbelt mineral deposit model in northwest Botswana is conceptual in nature and requires considerable further work to confirm elements in the model. Based on work done to date, MSA considers that there is sufficient technical merit for the exploration work programme proposed by Kavango.

KSZ Project

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 at 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 MSA considers the geological and tectonic setting of the KSZ sufficiently prospective to be tested with the proposed EM survey and appropriate follow-up field activities. 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.

Recommendations

Kavango Copper Project

The work programme proposed by RTME for the JV license PL253/2012 was initially aimed to test targets in the defined prospective portion of the license area. This will be followed in 2019 by further drilling of targets generated by logging, sampling and geochemical analyses of borehole material from the 2018 drill campaign, and will be dependent on successful intersection of copper mineralisation in the 2018 programme (Table 1-2 of the CPR).

No significant field work is planned by the Group on the remaining two licenses in the KCP (248/2014 and 302/2012) for the time being save for a small amount of geophysical work to maintain the PLs in good standing.

Work programme and expenditure as initially proposed by RTME for the Kavango Copper Project

PL	Year	Proposed Work Programme	Minimum Expenditure (BWP)
253/2012	2018	Test targets with Reverse Circulation / Diamond Drilling; Geological logging, sampling and assaying	500.000
	2019	Follow up targets with Reverse Circulation / Diamond Drilling; Geological logging, sampling and assaying	500.000

Source: RTME; BWP to USD exchange rate: 1 BWP ~ 0.1 USD (December, 2017)
Note: Above expenditure excludes corporate and administrative costs and other costs not directly related to the field work.

KSZ Project

After a comprehensive assessment of open file gravity and aeromagnetic data, a review and re-logging of historic borehole material, Kavango carried out geochemical soil sampling and ground geophysical surveys and concluded that an airborne EM survey over the entire KSZ Project area is required to assess the possibility of buried sulphide-hosted Cu-Ni-PGE mineralisation associated with mafic intrusions along and adjacent to the Kalahari Suture Zone. Kavango has prepared a staged exploration programme (Table 1-3 of the CPR) and MSA supports Kavango's plan to fly an EM survey over its ground holding in the KSZ area. It is further recommended to use a second geophysical consulting company for the interpretation of the EM data and to ground- truth a broad range of identified EM anomalies by refining existing ground geophysical traverses, or establishing new grids over the respective anomalies, prior to drilling.

The Competent Person considers that the KSZ Project area has sufficient geological merit to justify the proposed work programmes and associated expenditure. The proposed 18 months exploration budget exceeds the expenditure commitment due to the Botswana Ministry of Mineral Resources for the 12 PLs of the KSZ Project. It is logical and prudent, however, that those less prospective areas are progressively relinquished as the results of the airborne EM survey are evaluated.

As proposed in Table 1-3 of the CPR a CSAMT, EM or IP survey should be conducted over the Ditau I3 anomaly in PL169/2012 to assess the potential for Ni-Cu-PGE sulphides below the Kalahari cover.

It is recommended to conduct a geochemical orientation survey with modified parameters on the Niton™ handheld XRF analyser to establish if acceptable levels (±20% error) of precision and accuracy can be consistently achieved and documented for soil samples with low base metal concentration levels (<50 ppm).

It is further recommended that all spatial project data be transferred from the various MS Excel spreadsheets into a customised relational database which will allow performing data validation routines and basic quality assessment procedures.

The available aeromagnetic data, complimented by the ground magnetic surveys, should be remodelled to determine the geometry, dip and likely depths of gabbroic intrusions in the wider KSZ area. For this purpose, it is advisable to conduct de-magnetisation studies on dolerite/gabbro from CKP drill core to quantify the effects of remanence magnetism and the resulting effects on the measured/apparent magnetic intensities.

This is the end of the extract from the CPR.

Expenditure and Use of Proceeds

Kavango Minerals are exploring for Ni-Cu-PGE rich massive sulphide orebodies associated with mafic/ultramafic intrusives emplaced within lower Karoo sediments. As with most early exploration and appraisal projects, the amounts to be expended (save for the amounts payable in respect of maintaining the PLs in good standing and UK corporate costs) are discretionary and will depend, on a large degree, to the results of the ongoing work programmes.

The Net Proceeds will be used principally to progress the Group's proposed work programme (primarily in respect of the KSZ Project) which can be summarised as follows:

1. Appoint appropriate contractors;

2. Complete 2 lines (of approximately 6kms long) of geophysical surveying on the Ditau prospect;
3. Drill a minimum of two holes into the source of the magnetic anomaly on the Ditau prospect;
4. Concurrently, carry out helicopter borne EM survey over the remainder of the KSZ PLs;
5. Carry out ground surveys over any conductors identified from the airborne EM survey;
6. Prioritise the conductors for drilling; and
7. If identified, drill the most compelling conductors to achieve intersections of sulphide mineralisation.

In addition to the above, the Net Proceeds will be used to purchase an additional 4x4 vehicle and rent a lodge for staff as an operations base for the KSZ Project.

Although, the airborne study is expected to take approximately 5 months in its entirety, results will be available on a daily basis. Analysis of the results will enable the Directors and senior managers to prioritise targets to be investigated further through field work. If the ground-based follow-up is successful, priority targets will be drilled to test for the presence of mineralised sulphide bodies. The time frame for further investigations is fluid and will depend on what, and when, discovery is made.

In parallel to the above and in the short term, drilling is planned by the Group at the Ditau licence site (KSZ Project PL169/2012) where previous surveys carried out by Kavango Minerals have already identified targets for further investigation.

Kavango's proposed work programme of £1,130,000 is based on Net Proceeds of £1,435,000 (including corporate costs). This is also sufficient to cover licence expenditure commitments to the Government as set out at the bottom of the table below.

The proposed programme outlined below is focussed principally on the KSZ Project (save for general and administrative expenses which relate to the Group):

Proposed Work Program and Budget (18 months) - KSZ Project	
	GBP
Net Proceeds:	**1,435,000**
Exploration Costs (which cover the Licence expenditure commitments)	
Airborne EM Survey, including interpretation	430,000
Ground truthing and follow up work *	130,714
EM and IP geophysical surveys at Ditau	10,714
Geochemical sampling and assays *	60,000
Drilling *	355,714
Field costs, geologists, logistics, licence renewal costs *	142,857
Total Expoloration Costs in Botswana	**1,130,000**
UK office and admin costs	
Directors and Management	184,000
Office (rent, communications, travel)	62,000
Legal, audit, and PR	59,000
Total UK office and admin costs	**305,000**
Total Expenditure	**£1,435,000**

Licence expenditure commitments for the years 2018-2019 to Govt.	
Expenditure commitments on KSZ licences (12)	1,115,478
Less amounts spent on KSZ PL's from 1 Jan 2018 to 31 May 2018	(181,000)
Expenditure commitments on RTME JV licence (1)	79,365
Expenditure commitments on KCP licences (2)	71,111
Total licence expenditure commitments from 1 June 2018 to 31 Dec 2019	**£1,084,954**
Exploration costs and Licence expenditure commitments have been converted at USD1.40/GBP	
Exploration costs are apportioned over all licences (both KSZ and KCP PL's) to ensure expenditure commitments to Govt. are met	
* The £71,111 referred to in the table above (in respect of the 2 remaining KCP PLs) will be met from some of the asterixed Exploration Costs (as the Directors consider appropriate).	

The exploration expenses in Botswana set out above are apportioned principally over the 12 KSZ Project PLs, with small amounts set aside in respect of KCP Project PLs - PL248-2014 and PL302-2012, and a full contingency for PL253-2012 given RTME has served notice of its intention to terminate the JV Earn In Agreement (the Directors assuming, until such time as the termination handover process commences, that no money has been spent on this PL during 2018), to maintain each of these PLs in good standing.

The outstanding expenditure commitments on the KCP PLs outlined above (during their current tenure) are as follows: 248-2014 and 302-2012 - approximately £71,111 (in aggregate) and £79,365 on PL 253-2012 (full contingency provided for on the PL subject to the JV Earn In Agreement).

Provided the commitments are met and the Company wishes to retain the PL 253-2012, the Company will be able to elect at the end of 2019 to apply for a ML in respect of part of the area subject to this PL. In respect of PL248-2014 this can be extended provided all expenditure commitments have been met.

This work programme accords with the proposed work programme set out in the CPR.

If mineralisation is discovered at any of the Project sites, the Group will consider raising further funding 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.

3. Comparable Ni-Cu-PGE deposits

Below are excerpts from the book by Anthony .J. Naldrett (a Canadian geologist) which have been selected to provide investors with some further background as to the rationale for exploring the KCP and the KSZ Projects. They provide examples of comparable deposit types and geological targets (age, rock type and method of formation). There are currently no similar deposits known to Directors in Botswana.

Magmatic Ni-Cu-PGE sulphide deposits form as a result of segregation and concentration of droplets of liquid sulphide from mafic or ultramafic magma, and the partitioning of chalcophile elements into these from the silicate melt. Sulphide saturation of a magma is not enough in itself to produce an ore deposit. The appropriate physical environment is required so that the sulphide liquid mixes with enough magma to become adequately enriched in chalcophile metals, and then is concentrated in a restricted locality so that the resulting concentration is of ore grade.

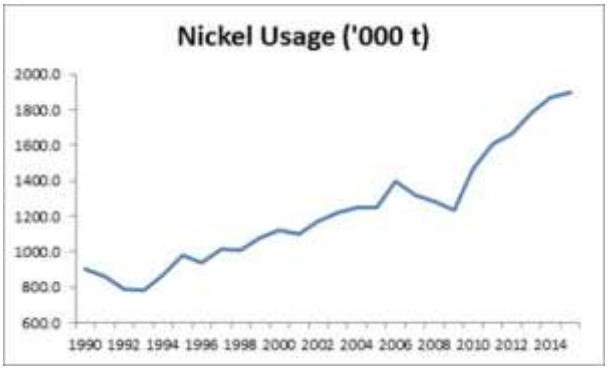
The deposits of the Noril'sk region have developed within flat, elongate bodies (15 x 2 x 0.2 km) that intrude argillites, evaporates and coal measures, adjacent to a major, trans-crustal fault and immediately below the centre of a 3.5 km thick volcanic basin. Studies of the overlying basalts have shown that lavas forming a 500m thick sequence within these have lost 75%of their Cu and Ni and more than 90% of their PGE. Overlying basalts show a gradual recovery of their chalcophile element concentrations to reach "normal" values 500 m above the top of the highly depleted zone. The ore-bearing Noril'sk type intrusions correlate with those basalts above the depleted zone that contain "normal" levels of chalcophile element.

The Voisey's Bay deposit lies partly within a 30 – 100m thick sheet of troctolite, interpreted as a feeder for the 1.334 Ga Voisey's Bay intrusion, and partly at the base of this intrusion, where the feeder adjoins it…". "Trace element and mineralogical studies indicate that the magma pulses interacted with country gneiss, which accounts for the magma becoming sulphide saturated.

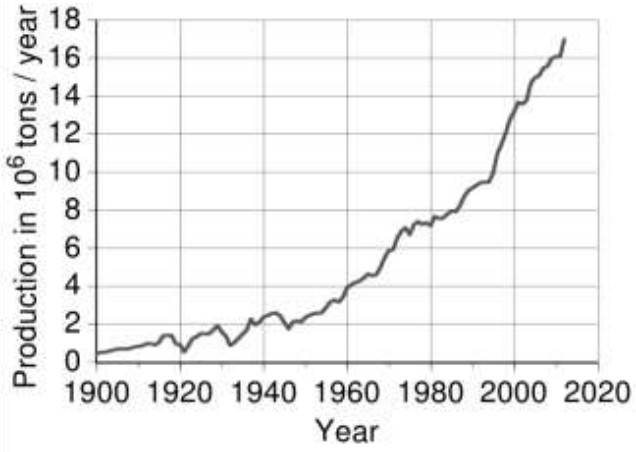
The Jinchuan deposit in north central China occurs within a 6 km long dyke-like body of peridotite. The compositions of olivine within the dyke, the igneous rocks themselves, and the ore are all inconsistent with derivation of the body from ultramafic magma, as originally supposed, and indicate that the structure forms the keel of a much larger intrusion of magnesian basalt magm"

4. Market overview of the Ni-Cu-PGE

World nickel demand increased from 907,000 tonnes in 1990 to 1.465 million tonnes in 2010, an annual average growth rate of 2.3%. Since then, the strong growth recorded by the Chinese economy has further accelerated the increase in nickel demand that recorded in only six years, from 2010 up to 2015, an annual growth rate of 5.0%. Asia is now by far the largest regional market for nickel currently representing 71% of total world demand. China alone now accounts for close to 52% of world nickel demand compared with18% ten years earlier.



Total world production of copper is about 18 million metric tons per year. Copper demand is increasing by more than 575,000 tons annually and accelerating. China accounted for more than 22% of world copper demand in 200 and is nearly 40% in 2014 (see below).



In the opinion of the Board, Ni-Cu-PGEs are all metals in demand, at large volumes and tradeable on world markets. It is, therefore, generally not necessary to arrange pre-production contracts. The products can be sold on "Spot" markets. This gives the mining companies confidence that the market will not "vanish" by the time the mine goes into production. They can be regarded as "blue chip" mining products. Since it can take up to 15 years or more from discovery of a deposit to production, this is a major attraction to big investments.

6. Group Resources & Reserves

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

7. The Group's Competitive Strengths

The Directors believe that the Group's key current strengths are:

1. The Group is managed by a team of experienced individuals;

2. Botswana is considered to be one of the least corrupt jurisdictions in Africa to undertake mineral exploration;

3. The geological team has been present in Botswana for over 5 years. Each member of the team has knowledge of the geology and the country. They have good relationships with the Ministry of Mines and government employees;

4. The Company, via its subsidiary, holds PLs over 7,500km^2 including approximately 35% of the Kalahari Suture Zone, which it is believed could host a world class Ni-Cu-PGE deposit; and

5. The Kavango Copper Project is investigating the extension of the Zambian Copperbelt into Northwestern Botswana.

9. Group's shareholders, structure and employees

9.1 Principal shareholders

Immediately prior to Admission, the following Shareholders own 64,735,000 Ordinary shares representing 87.30 per cent. per cent. of the issued shares of the Company:

Shareholder	**Number of Ordinary Shares prior to Admission**	**Percentage of issued Ordinary Share capital immediately prior to Admission**	**Number of Ordinary Shares following Admission**	**Percentage of issued Ordinary Share capital immediately following Admission**
Charles Michael Moles (*)	11,092,500	*14.96*	12,947,492	*9.65*
Hillary Gumbo (*)	11,092,500	*14.96*	11,092,500	*8.27*
Jose Medeiros	11,092,500	*14.96*	13,492,500	*10.06*

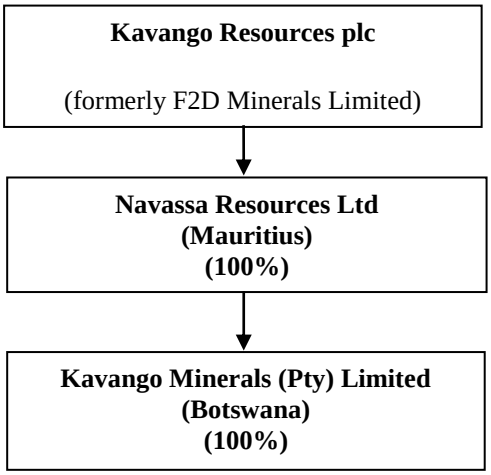
Peter O Anderton	11,092,500	*14.96*	13,492,500	*10.06*
Douglas Wright (*)	7,515,001	*10.13*	7,515,001	*5.60*
John Forrest (*)	7,064,998	*9.53*	7,064,998	*5.27*
Michael Foster (*)	5,785,001	*7.80*	5,785,001	*4.31*
Total	***64,735,002***	***87.3***	***71,389,992***	***53.22***

Following completion of the Placing and Admission, the above Shareholders will own 71,389,992 Ordinary Shares and 53.22 per cent. of the issued shares of the Company, further details of which are set out in of Part XIV of this Prospectus.

9.2 The Group's structure

The Company is a holding company.

The following chart sets forth the Group's structure as at the date of publication of this Prospectus:



9.3 Employees

The Group currently has no employees.

The Board consists, and will consist at Admission, of 2 Non-Executive Directors and 1 Executive Director and will be engaged on the terms set out in paragraph 11 of Part XIV of this Prospectus.

10. The Group's trading, strategy and prospects

The Directors and senior managers of the Company have experience of discovery, financing and development of natural resource deposits, particularly in Africa. The Group has acquired PLs covering approximately 7,500km2 in Botswana that the team believes have the potential for the discovery of Ni-Cu-PGEs.

11. Insurance

The Group's operations (and future operations) are subject to numerous operating risks typically associated with mining exploration and production activities. The Directors will seek insurance that will provide coverage that is reasonable given the Group's operations (and that of contractors/operators of its assets).

12. Taxation

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

13. Admission to a Standard Listing on the Official List

The Company has now published the Prospectus, which has been approved by the UK Listing Authority and accordingly, applications have been made for the Ordinary Shares to be admitted to trading on the Official List of the London Stock Exchange by way of a Standard Listing. It is anticipated that the Admission and dealings in the Ordinary Shares are expected to commence at 8.00 a.m. on 13 July 2018.

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

14. Risk factors

Prior to investing in the Ordinary Shares, prospective investors should consider, together with the other information contained in this Prospectus, 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 Prospectus.

15. Further information

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

PART VIII

BOTSWANA

1. Country Overview

Botswana is a landlocked country in the centre of Southern Africa and is bordered by South Africa, Namibia, Angola, Zambia and Zimbabwe and has a relatively small population of just over 2 million people.

At the time of independence in 1966, Botswana was one of the world's poorest countries but is now a stable and more prosperous country mainly due to its mineral wealth, good governance and prudent economic management resulting in the World Bank considering Botswana within the ranks of upper middle-income countries.

Botswana currently has a stable political environment and is ruled by the Botswana Democratic Party (BDP) which has been in power since 1966. It is expected to maintain its dominant position at the next general elections in 2019.

Since gaining independence from Britain, Botswana has been one of the world's fastest growing economies, averaging 5% per annum over the past decade and GDP growth in 2017 was projected above 4% following improvements in the mining sector, services sector and continued non-mining fiscal stimulus. Public investment has also been consistently high for the past 25 years, contributing to a steady accumulation of capital stock of almost three times more per capita than comparable countries and emerging market averages. There are still improvements to be made regarding infrastructure however.

Botswana's reliance on commodities renders it vulnerable to international market fluctuations, and it is affected by global market uncertainty and economic recovery in advanced countries. Stronger than expected GDP growth and mining revenues contributed to an improvement in the fiscal deficit in 2016/17 of 0.7% (2015/16: -4.7%) and the country's economy remains fundamentally dependent on mineral revenue and Southern African Customs Union (SACU) revenues, which respectively account for c.40% and c.25% of total revenue. Expected inflation of 4% remains within the Bank of Botswana's medium term band of 3-6%.

Despite generous social sector expenditure, significant development challenges remain with approximately 30% of the population just above the poverty line (worst in rural areas), stubbornly high unemployment of 17.8% and high inequality.

2. Exploration & Mining Regulatory Environment

As mentioned above, mining (and associated industries) is critically important for Botswana's economic development and accounts for over 24% of GDP and around 89% of its exports. Accordingly, it is important for the country to have a sound mining policy and legal framework.

The Mines and Minerals Act 1999 (the "Act"), sets out a clear regulatory framework for the licensing of mineral development in Botswana. The Act, provides detail regarding the awarding and managing of concession.

The Act outlines a clear "de jure" process regarding application requirements for Prospecting Licences, retention licences, Mining Licenses (for larger-scale mining), and minerals permits (for small scale mining). The Act ensures security of tenure, competitive tax rates, right to arbitration and other features matters relevant to a

mining process. It allows for the transferability of licenses and provides clear instructions for the provision of geological data. It specifies that companies must report on the results of their prospecting work plans every three months, at the time of prospecting licence renewals and when the project has been completed.

The licensing authority resides within the Botswana Department of Mines and is not independent from the Ministry of Minerals, Energy and Water Resources (MMEWR). The Mining Investment & Governance Review ("MInGov Review") published by the World Bank in 2016 indicated that Botswana has a fair and equitable licensing process.

Environmental protection legislation is mostly in line with international good practice. The Land Board and Tribunal provides some governance structure to manage local land use issues, including resettlement and compensation, although a stronger legislative framework and a more inclusive process has been recommended by the MInGov Review.

3. Licencing

Prospecting Licenses ("PL")

A PL enables the holder to intentionally look for minerals in the specific prospecting area to determine their extent and economic value.

The holder of a PL shall:

- commence prospecting operations within three months of the date of issue of the PL or a period as the minister may allow;
- carry on prospecting operations in accordance with the program of prospecting operations;
- notify the minister of the discovery of any mineral to which the PL relates within a period of 30 days of such discovery; and
- notify the minister of the discovery of any mineral deposit of possible economic value within a period of 30 days of such discovery.

A PL is valid for such period as the applicant has applied for and cannot exceed three years. The holder of a PL can apply for a renewal three months before the expiry of the license (of a 50% reduced area) and specify the period for which the renewal is sought. An applicant is entitled to the grant of not more than two renewals, each for the period applied for and not exceeding two years in either case.

Mining License ("ML")

The holder of a PL, or a waiver (issued by the minister once satisfied that the area over which a ML is required has been sufficiently prospected and that no other person has exclusive rights to that area) can apply for a ML for an area in respect of which the waiver has been issued or for an area within his prospecting area (as MLs are costly, the holder will normally select an area with the previous PL to investigate further).

The holder of a ML may "enter any land" to which the license relates and:

- take all reasonable measures on, or under, the surface to mine the mineral for which the ML has been granted;
- erect the necessary plant, equipment and buildings for the purposes of mining, transporting, dressing, treating, smelting or refining minerals recovered during mining operations;
- dispose of any mineral product recovered;
- prospect within the area for the mineral for which it holds a ML or any other mineral; and
- stack or dump any mineral or waste product in a manner approved by the director of mines.

A ML is valid for a period not exceeding 25 years.

PART IX

SHARE CAPITAL AND THE PLACING

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. Full details of the Pre-Financing Placing Warrants are set out in paragraph 4 of Part XIV (Additional Information).

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

2. Placing and Pricing

All New Ordinary Shares issued pursuant to the Placing will be issued at the Placing Price of 2.5p which has been determined by the Directors and each such New Ordinary Share will have a Placing Warrant attached on a one for one basis.

The Placing is conditional on Admission occurring on or before 10 July 2018 (or such later date being no later than 31 July 2018 as agreed by SIC and the Company). The Company has raised £1.5m gross in the Placing. This amount may only be waived or amended through the production of a supplementary prospectus. Irrevocable commitments have been received in respect of 60m New Ordinary Shares.

Conditional upon Admission occurring and becoming effective by 8.00 a.m. London time on or prior to 10 July 2018 (or such later date being no later than 31 July 2018 as agreed by SIC and the Company) each of the Subscribers agrees to become a member of the Company and agrees to subscribe for those New Ordinary Shares set out in his Placing 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 10 July 2018 (being no later than 31 July 2018 as agreed by SIC and the Company), Placees will receive a full refund of monies subscribed.

The rights attaching to the Placing Shares will be uniform in all respects and all of the Ordinary Shares will form a single class for all purposes.

3. Placing Warrants

The Placing Warrants will be issued to each of the Placees on the following basis:

- each Placing Warrant entitles the holder to subscribe for one Ordinary Share at a price of 12p per Ordinary Share;

- the Placing Warrants may be exercised during the subscription period which is the period from the date of admission of the Ordinary Shares to trading on a stock exchange and the date expiring two years from and including the date of admission of the Ordinary Shares to trading on a stock exchange;

- the Placing Warrants are transferable; and

- upon exercise each holder of the Placing Warrants shall be issued with a further warrant substantially on the same terms as the Placing Warrants except that:

- each such further warrant entitles the holder to subscribe for one Ordinary Share at a price of 24p per Ordinary Share; and

- the subscription period is the period from the date of admission of the Ordinary Shares to trading on a stock exchange and the date expiring four years from and including the date of admission of the Ordinary Shares to trading on a stock exchange;

The Placing Warrants will not be traded or tradeable.

4. Admission, Dealings and CREST

The Placing is subject to Admission occurring on or before 10 July 2018 (or such later date being no later than 31 July 2018 as agreed by SIC 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 13 July 2018. 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 13 July 2018.

All dealings between the commencement of conditional dealings and the commencement of unconditional dealings will be on a "when issued basis". If the Placing does 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 are expected to be despatched, by post at the risk of the recipients, to the relevant holders, in the week commencing 16 July2018. 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.

5. Payment

Each Placee has placed the Placing Price for the Placing Shares in the bank account of the Company. Liability (if any) for stamp duty and stamp duty reserve tax is as described in Part XIII of this Prospectus. If Admission does not occur, the Placing Price will be returned to each Placee without interest.

6. Use of Proceeds

The Net Proceeds of £1.435m raised through the Placing, being the gross proceeds of £1.5m, less transaction costs of £304,000, which have been or will be met by £65,000 from the Placing Proceeds and £239,000 from the Pre Financing Placing to be settled in cash, will primarily be used to provide working capital to the Group and to meet its regulatory and administrative commitments and to carry out those matters set out in Part VII of this Prospectus.

7. 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 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.

Certain restrictions that apply to the distribution of this Prospectus and the Ordinary Shares being issued pursuant to the Placing in certain jurisdictions are described in the section headed Part XI *"Notice to Investors"* of this Prospectus.

8. Transferability

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

PART X

DIRECTORS, SENIOR MANAGEMENT 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 Wright *(Non-Executive Chairman, aged 57)*

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. Douglas is currently a director of Friction Free Feedback Limited. He moved to Malta in 2013.

Michael Foster *(Chief Executive Officer, aged 66)*

Michael is a graduate geologist from St Andrews University in Scotland with a 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 been involved in 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 is currently a non-executive director of Arc Minerals Ltd (DRC and Zambia focused mineral exploration company) and Zimbabwe focused Premier African Minerals Ltd, both listed on AIM.

Charles Michael Moles, known as "Mike Moles" *(Non-Executive Director, aged 67)*

Michael BSc (Geology) and BSoc Sci (African Studies) has over 30 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 – Exploration Manager

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 has a Botswana residence status and lives in Harare, Zimbabwe with his wife and son.

John (Chuck) 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 32 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 with companies including Copperbelt Minerals Limited and Casa Mining Limited raising funds for exploration in Africa.

3. Corporate Governance

As a Company listed on the Standard Segment of the Official List of the UK Listing Authority, the Company is not required to comply with the provisions of the UK Corporate Governance Code. However, the Board is committed to maintaining high standards of corporate governance and so far, as appropriate given the Company's size and the constitution of the Board, complies and intends to comply with The Corporate Governance Guidelines for Small and Mid-Sized Companies (the "QCA Code").

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.

As prescribed by the QCA Code, the Board has established three committees: an Audit and Risk Committee, a Remuneration Committee and a Nomination Committee.

Audit and Risk Committee

The Audit and Risk Committee, which comprises Douglas Wright and Mike Moles, is responsible, amongst other things, for monitoring the Group's financial reporting, external and internal audits and controls, including reviewing and monitoring the integrity of the Group's annual and half yearly financial statements, reviewing and monitoring the extent of non-audit work undertaken by external auditors, advising on the appointment of external auditors, overseeing the Group's relationship with its external auditors, reviewing the effectiveness of the external audit process and reviewing the effectiveness of the Group's internal control review function. The ultimate responsibility for reviewing and approving the annual report and accounts and the half-yearly reports remains with the Board. The Audit and Risk Committee gives due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the Listing Rules.

The Remuneration Committee

The Remuneration Committee, which comprises Douglas Wright and Mike Moles, is responsible, amongst other things, for assisting the Board in determining its responsibilities in relation to remuneration, including making recommendations to the Board on the Company's policy on executive remuneration, including setting the parameters and governance framework of the Group's remuneration policy and determining the individual remuneration and benefits package of each of the Company's Executive Directors and the Group. It is also responsible for approving the rules and basis for participation in any performance related pay-schemes, share incentive schemes and obtaining reliable and up-to-date information about remuneration in other companies. The Remuneration Committee shall meet at least two times a year.

Nomination Committee

The Nomination Committee, which comprises Douglas Wright and Mike Moles, will identify and nominate, for the approval of the Board, candidates to fill Board vacancies as and when they arise. The Nomination Committee will meet as required.

4. Share dealing policy

The Company has adopted a share dealing policy which sets out the requirements and procedures for dealings in any of its listed securities. The share dealing policy applies widely to all Directors of the Company and its subsidiaries, certain employees' and person closely associated with them**.**

The policy complies with the Market Abuse Regulations, which came into effect on 10 July 2016.

5. 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.

6. Anti-bribery and corruption policy

The Company has adopted an Anti-Corruption and Bribery Policy which applies to the Directors and all employees of the Company. The Board believes that the Group, through its internal controls, has appropriate procedures in place to reduce the risk of bribery and that all employees, agents, consultants and associated persons are made fully aware of the Group's policies and procedures with respect to ethical behaviour, business conduct and transparency.

7. Health and safety

The safety of the Group's employees and contractors is critical to its operations.

Kavango aims to prevent all incidents and accidents at its operations and in a reasonably practicable manner and strives to minimise hazards inherent in the working environment.

The Company is committed to providing a working environment that is conducive to good health and safety; managing risks in the workplace and surveillance of workplaces and employees; complying with applicable legal requirements; ensuring that appropriate resources, training and personal protective equipment are provided to improve occupational health and safety; ensuring that employees and contractors have the relevant skills to perform work-related tasks in a safe manner and that they are aware of their individual health and safety obligations and rights.

Environmental policy

Kavango plans to undertake its exploration activities in a manner that strives to minimize or eliminate negative impacts and maximize positive impacts of an environmental or socio-economic nature. The Company is committed to responsible stewardship of natural resources and the ecological environment.

The Company aims to continually improve its environmental performance and the prevention of pollution, reduce or control the creation, emission or discharge of any type of pollutant or waste and to reduce adverse environmental impacts; the integration of environmental management into management practices throughout the company; rehabilitate disturbed land as much as possible and protect environmental biodiversity; protect cultural heritage resources; comply with applicable legal requirements; and train and educate employees in environmental responsibilities.

Social policy

Kavango aims to minimise potential negative social impacts while promoting opportunities and benefits for host communities.

The Company is committed to continually improving community development and community investment programmes through monitoring, measuring and managing our social and economic impacts; placing local people at the centre of development by helping to build their capacity to control their own development; develop programmes pro-actively that will ensure the sustainable welfare of communities in the event of a potential downscaling; upholding and promoting the human rights of our employees and contractors, our suppliers, and the communities in which we operate; recognise and respect indigenous people's culture, heritage and traditional rights and support the identification, recording, management and protection of indigenous cultural heritage; and manage the risk of public health threats amongst employees and local communities through community programmes, awareness, education and care.

8. Social media

The Company has adopted a Social Media Policy to minimise the risks to the Group's business through use of social media.

THE MSA GROUP

Specialist Consultants to the Mining Industry

Cu and Ni-Cu-PGE Projects in Northern and Western Botswana

JORC Competent Persons Report

In accordance with the Admission and Disclosure Standards of the London Stock Exchange

Prepared by The MSA Group (Pty) Ltd for:

Kavango Resources plc

Prepared By:

Michael Robertson Pr.Sci.Nat., FGSSA

Assisted by: Pr.Sci.Nat., FGSSA

Friedrich Reichhardt

Effective Date: 20 December 2017

Report Date: 18 April 2018

MSA Project No.: J3776

IMPORTANT NOTICE

This Competent Persons Report ("CPR") was requested by Kavango Resources plc ("Kavango plc") on Kavango Minerals (Pty) Limited ("Kavango") Cu and Ni-Cu-PGE Projects in Northern and Western Botswana and has been prepared by The MSA Group (Pty) Limited ("MSA"), South Africa.

The specific instructions to MSA were to deliver a CPR on Kavango's material assets and liabilities with respect to the Cu and Ni-Cu-Co-PGE Projects in accordance with:

- *the Admission and Disclosure Standards of the London Stock Exchange*
- *the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012) published by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and Minerals Council of Australia ("JORC Code"*

This report is intended for use by Kavango plc for a prospectus (the "Prospectus") which needs to be approved by the United Kingdom Listing Authority ("UKLA") in connection with a listing on the London Stock Exchange.

The quality of information, conclusions and estimates contained in this CPR is consistent with the level of effort involved in MSA's services, based on: i) information available at the time of preparation, ii) data supplied by outside sources, and iii) the assumptions, conditions, and qualifications set forth in this report. Except for the purposes legislated under London Stock Exchange, any other uses of this report by any third party is at that party's sole risk.

Neither MSA, nor the authors of the Report, have or have previously had any material interest in Kavango plc or the mineral properties in which Kavango plc has an interest. MSA's relationship with Kavango plc is solely one of professional association between client and independent consultant. The Report is prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the findings of the Report.

MSA accepts responsibility for the information contained in the CPR and that it is responsible for and has given and not withdrawn its consent to the inclusion of such information in the Prospectus in the form and the context in which it is included. To the best of the knowledge and belief of MSA (which has taken all reasonable care to ensure that such is the case), the information contained in CPR is in accordance with the facts and does not omit anything likely to affect the importance of such information. MSA Group has received, and will receive, professional fees for its preparation of the CPR. However, none of MSA or its directors, staff or subcontractors who contributed to the CPR has any interest in the Company or the Group assets reviewed or the outcome of the Placing. MSA has given and not withdrawn its consent to the inclusion in the Prospectus of the CPR in the form and context in which it is included and has authorised the contents of the CPR for the purposes of Rule 5.5.3R (2)(f) of the Prospectus Rules.

The authors have endeavoured, by making all reasonable enquiries, to confirm the authenticity and completeness of the technical data upon which the Report is based. A final draft of the Report was provided to Kavango plc, along with a written request to identify any material errors or omissions prior to finalisation.

The Consent Forms for the Competent Persons are included as Appendix 2. MSA is not aware of any material changes since the effective date of the CPR.

Normative References

London Stock Exchange – Admission and Disclosure Standards (effective 8 May 2017). http://www.londonstockexchange.com/companies-and-advisors/main-market/companies/listing/process.htm

Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia. (20 December, 2012). http://www.jorc.org/docs/jorc_code2012.pdf

1 EXECUTIVE SUMMARY

The MSA Group (Pty) Ltd ("MSA") has been commissioned by Kavango Resources plc ("Kavango plc") to provide a Competent Persons Report ("the Report" or "CPR") on Kavango Minerals (Pty) Limited ("Kavango") Cu and Ni-Cu-PGE Projects, located in the northwestern and southwestern parts of Botswana respectively. The former project is currently subject to a JV agreement with Rio Tinto Mining and Exploration ("RTME") and is referred to as the "Kavango Copper Project" and the latter project is discussed as the Kalahari Suture Zone ("KSZ Project").

The Report was requested by Kavango plc for a prospectus for a planned listing on the Main Market of the London Stock Exchange. The prospectus needs approval by the United Kingdom Listing Authority ("UKLA").

Kavango plc has a 100% interest in Kavango through its Mauritian holding company Navassa Resources Limited in Kavango which holds 15 Prospecting Licenses ("PLs") covering the two Project areas of Kavango plc's interest.

Kavango is the operator and is currently funding 100% of the KSZ Project costs.

RTME is the currently the operator and is funding 100% of the expenditure on PL253/2012 which forms part of the Kavango Copper Project and is subject to the JV agreement with Kavango. However, the Kavango received notice on 28 June 2018 from RTME of its intention to terminate the JV Earn In Agreement. The notice is dated 22 June 2018. In accordance with the terms of the JV Earn In Agreement, termination becomes effective 60 days after the date of the termination notice and, within that 60-day period, RTME is contractually obliged to complete a handover of the results of all exploration work in the relevant PL area and provide details of expenditure. Following termination becoming effective the PL253/2012 will be owned 100% by Kavango Minerals..

Twelve Prospecting Licenses ("PL") have recently been renewed for a further two-year period (Table 1-1) while three PLs have their first renewal date on 31 December 2019.

Table 1-1
Summary table of Kavango Resources plc assets

Asset	License holder	Kavango's interest	Status	License expiry date	PL area	Comments
Kavango Copper Project	Kavango Minerals (Pty) Limited	100% 85%[1] 100 %	Exploration	PL248/2014: 31 Dec 2019* PL253/2012: 31 Dec 2019 PL302/2012: 31 Dec 2019	192 km^2 447 km^2 230 km^2	Renewal applications for a further 2 years granted on 21 Nov 2017 for the 3 PLs without a reduction in PL areas
KSZ Project	Kavango Minerals (Pty) Limited	100 %	Exploration	PL163/2012: 31 Dec 2019 PL164/2012: 31 Dec 2019 PL165/2012: 31 Dec 2019 PL166/2012: 31 Dec 2019 PL167/2012: 31 Dec 2019 PL168/2012: 31 Dec 2019 PL169/2012: 31 Dec 2019	497.4 km^2 496.9 km^2 457.3 km^2 493.8 km^2 432.4 km^2 436.5 km^2 469.2 km^2	Renewal applications for a final 2 years granted on 21 Nov 2017 for the 7 PLs PL163/2012 to PL169/2012 without a further 50% reduction in PL areas
				PL509/2014: 31 Dec 2019* PL510/2014: 31 Dec 2019*	413 km^2 498.6 km^2	First renewal applications for a further 2 years granted on 21 November 2017 for PL509/2014 and PL510/2014 with a 50% reduction in PL area
				PL155/2016: 31 Dec 2019** PL156/2016: 31 Dec 2019** PL157/2016: 31 Dec 2019**	975 km^2 977 km^2 781 km^2	Renewal application due in 2019 for a two year period with a 50% reduction in PL area

Note: *PLs are granted for a maximum of 7 years with two renewals of 2 years each after the initial 3 year period. A reduction of 50% of the PL surface area is expected at the start of each of the two renewal periods*
** = can be renewed for a further 2 year period up to 31 December 2021*
*** = can be renewed for two further 2 year periods with a 50% reduction in surface area up to 31 December 2023*
[1] = Kavango's interest will be increased to 100% upon termination of the JV Earn In Agreement becoming effective

The two Projects are regarded as 'early stage exploration projects' which are inherently speculative in nature. However, based on current geological evidence, MSA is of the opinion that both Projects have sound technical merits to be considered prospective, subject to varying degrees of exploration risk, and warrant the exploration programmes proposed by Kavango to assess their economic potential.

1.1 Location and Access

1.1.1 Kavango Copper Project

The Kavango Copper Project area is accessed by a 380 km reasonably maintained tarred road (the A35) from the regional center of Maun to the town of Shakawe. Shakawe is located 250 km to the northwest of Maun. Maun has an international airport and is well-serviced by scheduled flights. Owing to the tourism industry within the Okavango Delta area, charter flights are available in and out of Shakawe.

Access to the Project area is via a calcrete sealed road to the Tsodilo Hills that branches off the A35 at Mohembo village on the Botswana-Namibia border, about 14 km north of Shakawe. This road passes through the Copper Project licenses, and through Chukumuchu and the Tsodilo Hills before it re-joins the A35 at Nxamasere.

Access within the individual license areas is in the form of sandy tracks, which are often developed along cut-lines.

1.1.2 KSZ Project

The 12 PLs of the KSZ Project occur within an approximately 350 km long and up to 100 km wide north-south orientated block in the western part of the Kalahari Desert. Access is through the paved Trans-Kalahari Highway ("TKH") linking Botswana's capital city Gaborone with the Namibian capital Windhoek. The PLs within the KSZ block can be reached with a 4x4 off road vehicle via a further tar road from the village Kang (along the TKH) to the regional administrative village Hukuntsi and then via a series of relatively wide sand tracks.

The southern PLs 509/2014 and 510/2014 are accessed via the tarred road to Tsabong followed by sand tracks. Travel times to the individual PLs from Gaborone are between 5 and 7 hours and approximately 1 to 3 hours from Kang and Tsabong which offer overnight and other basic facilities similar to Hukuntsi which has a hospital, a small airport and several government offices.

1.2 Geology

1.2.1 Kavango Copper Project

The Kavango Copper Project licenses are underlain by sedimentary cover rocks of the Cenozoic Kalahari Group, with no known outcrops of Proterozoic rocks. Based on recent drilling, the Kalahari cover in this area varies in thickness between 30 m and 120 m and is underlain by Proterozoic rocks.

Similarities in age, stratigraphy and structure between the Lufilian Arc in Zambia and that of northwest Botswana have been recorded by various workers since 2009. Regional gravity data indicates a gravity low that extends from northwest Zambia through eastern Angola and the Caprivi Strip of Namibia into northwest Botswana. Diamond drilling by Tsodilo Resources Limited and First Quantum Minerals on licenses adjacent to the Copper Project has intersected metasedimentary rocks which have been correlated with the Katanga Supergroup forming the Lufilian Arc. These lithologies are viewed as prospective for hosting Copperbelt-style sediment-hosted copper deposits.

Further, interpretation of new and existing magnetic data suggests a complex linking of the Damara Belt in Namibia with the Lufilian Arc in northwest Botswana. This region, which includes the Copper Project area, is therefore considered prospective for hosting various types of mineral deposits including Copperbelt-style copper-cobalt deposits at multiple positions in the stratigraphy, stratabound sediment-hosted nickel deposits, magnetite iron ore deposits and iron oxide-copper-gold ("IOCG"), carbonate-hosted zinc-lead and skarn-type deposits.

1.2.2 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 (Figure 1-1). 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).

In the late Proterozoic (~1.07 Ga), intra-continental rifting developed within the Kheis Belt which led to the development of a large sedimentary basin (Nossop Basin) across southwest Botswana and Namibia. There is no evidence that rifting advanced to the stage of sea floor spreading but the eastern margin of the rift was intruded by large volumes of mafic magma which formed the Tshane, Tsetseng and Xade Complex. These predominantly intrusive rocks and older sedimentary sequences (i.e. Transvaal and Olifantshoek Supergroups) are unconformably overlain by sediments of the Karoo Supergroup which are frequently intruded by late/post-Karoo (~180 Ma) doleritic dykes and sills which were emplaced after the completion of Karoo sedimentation. The dykes and sills are considered feeders to the Karoo volcanic rocks (i.e. Stormberg Group flood basalts) that cover vast portions of southern Africa, South America, India and Australia

heralding the start of the breakup of the Gondwana Supercontinent in the early Jurassic epoch. Doleritic dykes and sills linked to the latter event are termed "post-Karoo" throughout this report.

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. The number of boreholes which are sufficiently deep and well enough documented to be geologically meaningful is 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 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.

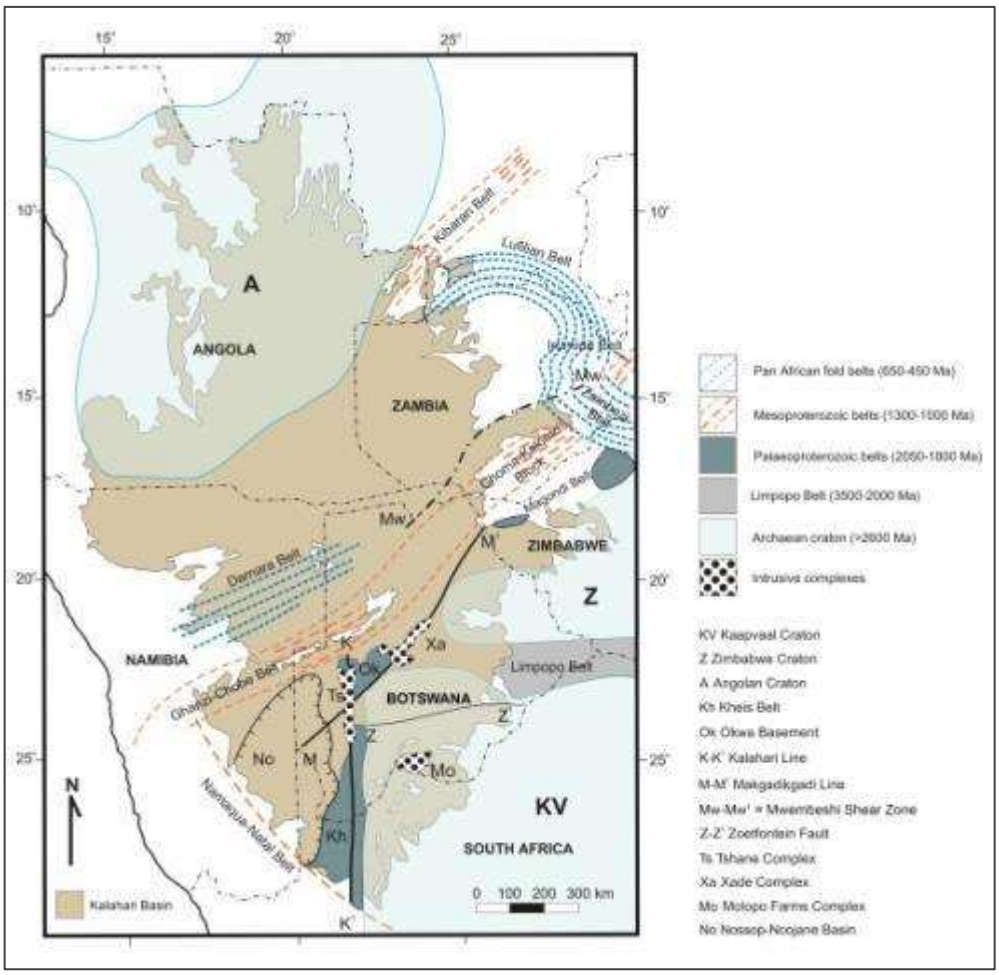
The majority of the boreholes, drilled by the Botswana Geological Survey ("BGS") in 1981/1982 as part of the Central Kalahari Drilling Project, targeted a series of very large elongate magnetic anomalies identified from the reconnaissance aeromagnetic survey of western Botswana flown between 1975 and 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 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 bodies reportedly vary widely (MPH, 1996).

Potential host rocks for Ni-Cu-PGE mineralisation in or adjacent to the Suture Zone exist in 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). 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 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.

Figure 1-1
Summary of main Precambrian structures in Botswana and neighbouring countries



Source: Haddon, 2004

1.3 Exploration

1.3.1 Kavango Copper Project

Exploration in the Kavango Copper Project area is aimed at the discovery of sediment-hosted copper and related deposits beneath relatively shallow Kalahari Group cover in northwest Botswana. The geological model is based on the interpreted extension of the stratigraphic sequence hosting the Central African Copperbelt through eastern Angola and Namibia into northwest Botswana.

Work conducted by Kavango included preliminary soil geochemistry aimed at seeing through the Kalahari cover. Most of the work in the project area has, to date, however been carried out by RTME as an earn-in JV partner. This work included a Versatile Time Domain Electromagnetic

("VTEM™") airborne survey flown across the five Prospecting Licenses comprising the original extent of the Copper Project area. A follow-up ground magnetic survey and Natural Source Audio Magneto Telluric ("NSAMT") and Controlled Source Audio Magneto Telluric ("CSAMT") surveys were conducted over the most prominent VTEM™ conductor.

Various targets arising from the geophysics were tested with seven diamond drillholes in 2016. The results indicated low grade copper in gabbros and a shale unit.

1.3.2 KSZ Project

Exploration in the KSZ area 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 Licenses 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 and regional soil sampling was subsequently employed on two of five PLs acquired in 2014 and 2016. These methods are however not suitable to detect deeper-seated disseminated or massive sulphides which prompted Kavango to consider a helicopter-based electromagnetic ("EM") survey over the entire KSZ tenure area.

1.4 Mineral Resource

No Mineral Resources have been identified or estimated for the two Projects.

1.5 Risks and Opportunities

The Kavango Copper Project is based on the interpreted stratigraphic correlation between Proterozoic rocks beneath Kalahari cover in northwest Botswana and the Katanga Supergroup which hosts the copper-cobalt deposits of the Central African Copperbelt in Zambia and the Democratic Republic of Congo. Application of the Copperbelt mineral deposit model in northwest Botswana is conceptual in nature and requires considerable further work to confirm elements in the model. Based on work done to date, MSA considers that there is sufficient technical merit for the exploration work programme proposed by Kavango.

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 at 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 MSA considers the geological and tectonic setting of the KSZ sufficiently prospective to be tested with the proposed EM survey and appropriate follow-up field activities. 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.

1.6 Recommendations

1.6.1 Kavango Copper Project

The work programme proposed by RTME for PL253/2012 was initially aimed to test targets in a defined prospective portion of the PL area (Table 1-2). This involved drilling of targets generated by exploration work carried out by RTME in previous years. As mentioned above, RTME has served notice of its intention to terminate the JV Earn In Agreement. Accordingly, and as part of the termination handover process, it is obliged to provide Kavango with all of its results (including drilling results) after which Kavango will be able to assess whether to continue the programme commenced by RTME, whether to instigate new investigations or whether to relinquish the licence.

.

No field work is planned by Kavango on the other two licenses 248/2014 and 302/2014.

Table 1-2
Work programme and expenditure as initially proposed by RTME for the Kavango Copper Project

PL	Year	Proposed Work Programme	Minimum Expenditure (BWP)
253/2012	2018	Test targets with Reverse Circulation / Diamond Drilling; Geological logging, sampling and assaying	500,000
	2019	Follow up targets with Reverse Circulation / Diamond Drilling; Geological logging, sampling and assaying	500,000

Source: RTME; BWP to USD exchange rate: 1 BWP ~ 0.1 USD (December, 2017)
Note: Above expenditure excludes Corporate and Administrative costs and other costs not directly related to the field work

1.6.2 KSZ Project

After a comprehensive assessment of open file gravity and aeromagnetic data, a review and re-logging of historic borehole material, Kavango carried out geochemical soil sampling and ground geophysical surveys and concluded that an airborne electromagnetic ("EM") survey over the entire KSZ Project area is required to assess the possibility of buried sulphide-hosted Cu-Ni-PGE mineralisation associated with mafic intrusions along and adjacent to the Kalahari Suture Zone.

Kavango has prepared a staged exploration programme (Table 1-3) and MSA supports Kavango's plan to fly an EM survey over its ground holding in the KSZ area. It is further recommended to use a second geophysical consulting company for the interpretation of the EM data and to ground-truth a broad range of identified EM anomalies by refining existing ground geophysical traverses, or establishing new grids over the respective anomalies, prior to drilling.

Table 1-3
Planned exploration activities and estimated expenditure for KSZ Project

Planned minimum activity	Cost (USD)
KSZ Project - Phase 1 (12 months)	
Airborne EM survey including interpretation by a second geophysical consultant	600,000
Ground-truthing of 15-20 EM anomalies with ground geophysical grids	183,000
CSAMT, EM or IP survey over Ditau I3 anomaly in PL169/2012	15,000
Geochemical sampling and assays	84,000
Pre-collar (RC) and core drilling of 8 targets (±2,800 m @ USD 130/m – hybrid rate), assays	340,000
Field costs, geological & field staff, logistics, license fees and local administration	129,000
Subtotal	1,351,000
KSZ Project - Phase 2 (6 months)	
Pre-collar (RC) and core drilling of 5 targets (±1,800 m @ USD 130/m – hybrid rate), assays	158,000
Field costs, geological & field staff, logistics, license fees and local administration	71,000
Subtotal	229,000
Grand Total	1,580,000

Source: Kavango, 2017; above expenditure excludes Corporate and Administrative costs and *other costs not directly related to the field work*

Source: Kavango, 2017; above expenditure excludes Corporate and Administrative costs and *other costs not directly related to the field work*

Kavango will aim to raise sufficient working capital to ensure at least 18 month of field operations. The funds raised on Admission are understood by MSA to be committed to the exploration and assessment of Kavango's mineral properties in Botswana.

MSA considers that the Project area has sufficient geological merit to justify the proposed work programmes and associated expenditure. The proposed 18 months exploration budget exceeds the expenditure commitment towards the Botswana Ministry of Mineral Resources for the 12 PLs of the KSZ Project. It is logical and prudent, however, that those less prospective areas are progressively relinquished as the results of the airborne EM survey are evaluated.

As proposed in Table 1-3 a CSAMT, EM or IP survey should be conducted over the Ditau I3 anomaly in PL169/2012 to assess the potential for Ni-Cu-PGE sulphides below the Kalahari cover.

It is recommended to conduct a geochemical orientation survey with modified parameters on the Niton™ handheld XRF analyser to establish if acceptable levels (±20% error) of precision and accuracy can be consistently achieved and documented for soil samples with low base metal concentration levels (<50 ppm).

It is further recommended that all spatial project data be transferred from the various MS Excel spreadsheets into a customised relational database which will allow performing data validation routines and basic quality assessment procedures.

The available aeromagnetic data, complimented by the ground magnetic surveys, should be re-modelled to determine the geometry, dip and likely depths of gabbroic intrusions in the wider KSZ area. For this purpose it is advisable to conduct de-magnetisation studies on dolerite/gabbro from CKP drill core to quantify the effects of remanence magnetism and the resulting effects on the measured/apparent magnetic intensities.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

LIST OF APPENDICES

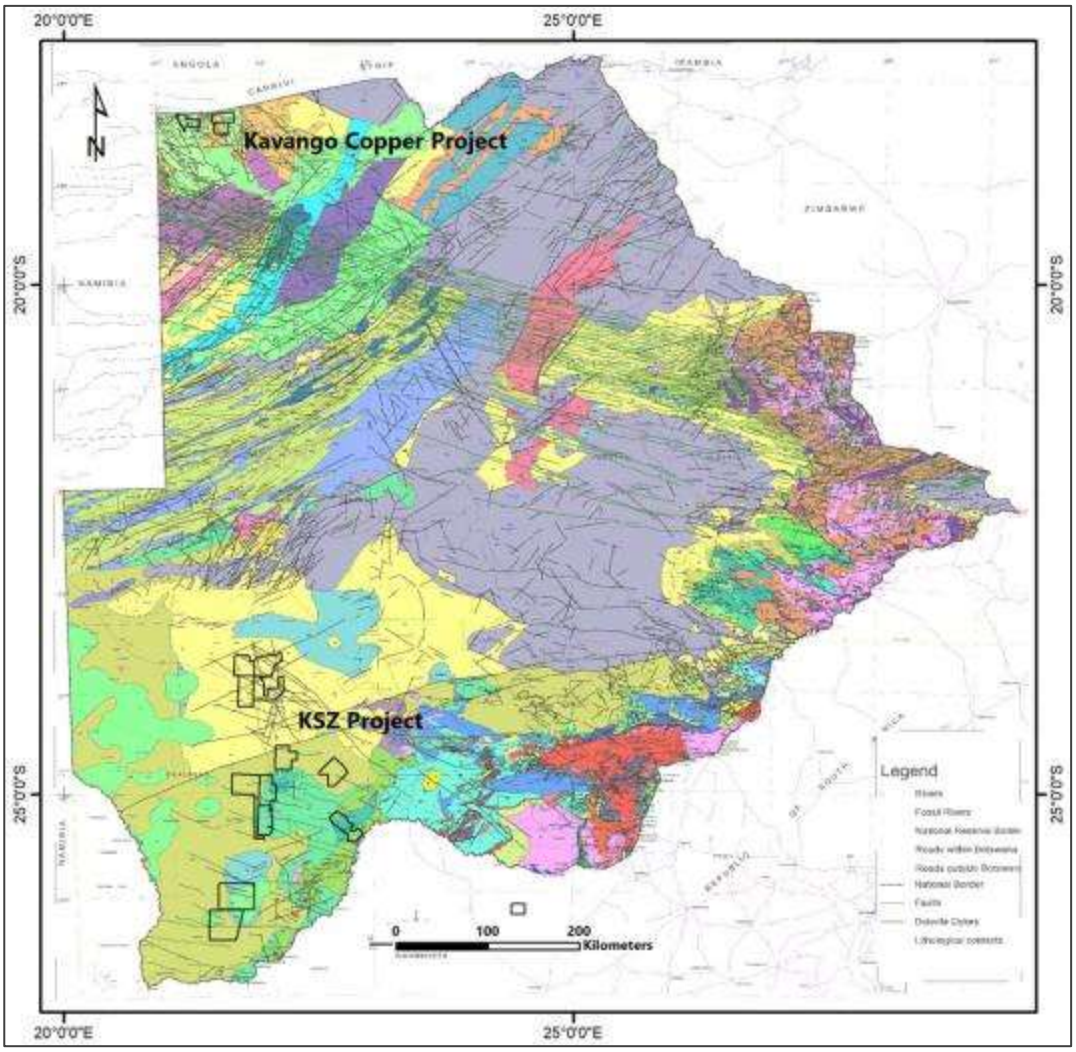
2 INTRODUCTION

2.1 Scope of work

The MSA Group (Pty) Ltd ("MSA") has been commissioned by Kavango Resources plc ("Kavango plc") to provide a Competent Persons Report ("the Report" or "CPR") on its' Cu and Ni-Cu-PGE Projects, located in the northwestern and southwestern parts of Botswana respectively. The former project is referred to as the "Kavango Copper Project" and the latter project is discussed as the Kalahari Suture Zone ("KSZ Project").

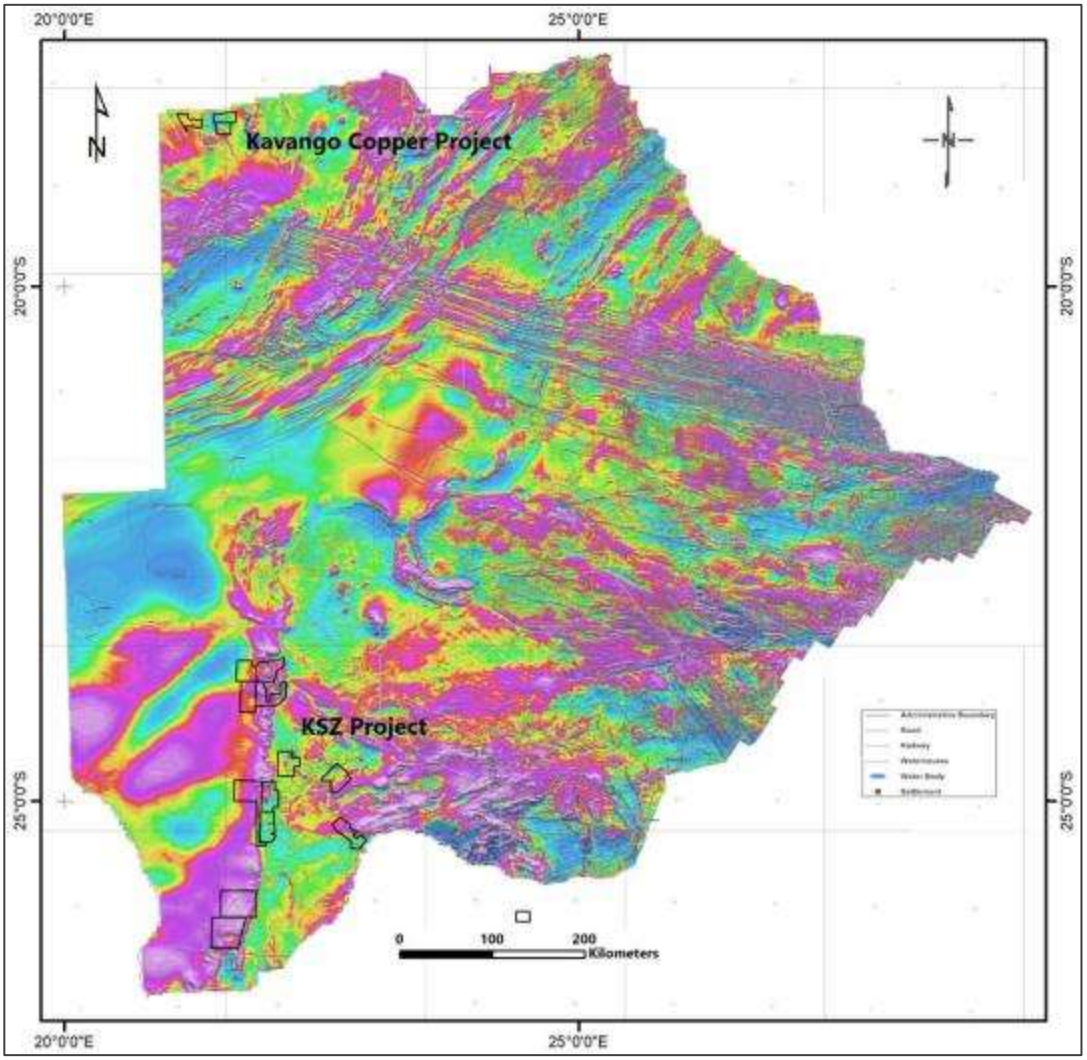
Collectively, the two projects consist of 15 Prospecting Licenses ("PLs") which are held by Kavango Minerals (Pty) Ltd ("Kavango"). The location of the PLs and the two Project areas are shown in Figure 2-1 and Figure 2-2. Kavango is a privately owned mineral exploration company registered in Botswana with a current share capital of USD 1.2 million and is wholly-owned by a Mauritius-based holding company Navassa Resources Limited ("Navassa"), which in turn is wholly-owned by Kavango plc.

Figure 2-1
Location of the Kavango Project areas overlain on the published Pre-Kalahari geological map of the Republic of Botswana



Source: The Pre-Kalahari Geological Map (scale 1:1,000,000), Department of Geological Survey; Department of Mines, 1997

Figure 2-2
Location of the Kavango Project areas overlain on the Total Magnetic Intensity map of the Republic of Botswana



Source: 1:1,000,000 Total Magnetic Intensity Map, Department of Geological Survey; Department of Mines; 2005

Rio Tinto Mining & Exploration Limited ("RTME"), through a JV agreement with Kavango, was able to earn a controlling interest in one of the three Copper Project Licenses (PL253/2012) by continuing to pay Kavango annual option fees and fulfilling minimum work and expenditure commitments. Field activities on the JV License are conducted by RTME. RTME has served notice on Kavango that it intends to terminate this JV agreement.

This CPR is compiled in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code"), 2012 Edition. The CPR is required for inclusion in a Prospectus for a Standard Listing of Kavango Resources plc (the group holding company) on the London Stock Exchange ("LSE").

A summary of the 15 Prospecting Licenses ("PLs") is presented in Section 4.2. The PLs were acquired over a four-year period between 2012 and 2016 and 12 of the older KSZ and Copper Project Licenses have been recently renewed for a further two year period. The legal status of the PLs has been verified by the Botswana-based law firm Collins Newman & Co (see Appendix 3).

Kavango is currently funding 100% of the KSZ Project costs and is the operator of the Project, while the Copper Project is 100% funded and operated by RTME. As mentioned above, now that RTME has served notice of its intention to terminate this agreement, it is contractually obliged during the 60 day notice period to complete a handover of the results of all exploration work in the relevant PL area and provide details of expenditure.

The corporate structure of the individual stakeholders in Kavango plc is shown in Figure 2-3.

Figure 2-3
Corporate structure of Kavango Resources plc

Source: Kavango, 2017

The two Projects are regarded as "early stage exploration projects" which are inherently speculative in nature. However, based on current geological evidence, MSA is of the opinion that both Projects have sound technical merits to be considered prospective, subject to varying degrees of exploration risk, and warrant the exploration programmes proposed by Kavango to assess the economic potential.

The metric system is used for all weight, height and distance measurements and monetary figures expressed in this Report are in United States Dollars ("USD"), unless otherwise stated. A glossary of technical terms and abbreviations is presented in Appendix 1.

2.2 Principal Sources of Information

MSA has based its review of the two Projects on information and data provided by Mr Hillary Gumbo, co-founder and director of Kavango and geophysical consulting company 3D Earth Exploration (Pty) Ltd, along with technical reports by RTME, Government agencies and previous tenements holders and other relevant published and unpublished data. A listing of the principal sources of information is presented in Section 27.

A site visit was made on 7 November 2017 to the Kavango Copper Project by Mr Michael Robertson. Dr Friedrich Reichhardt visited the KSZ Project on 9 November 2017. The authors were accompanied by Mr Gumbo who also arranged the inspection of drill core on 8 November 2017 at the core storage facilities of the Botswana Geological Survey at Kang. MSA is responsible for all technical aspects of this Report and has endeavoured, by making all reasonable enquiries, to confirm the authenticity and completeness of the technical data upon which the Independent

Report is based. A final draft of the Report was provided to Kavango, along with a written request to identify any material errors or omissions prior to lodgement.

This Independent Technical Report has been prepared on information available up to and including 20 December 2017. MSA has provided consent for the inclusion of the CPR in the Prospectus for the Initial Public Offering, and has not withdrawn that consent prior to lodgement.

2.3 Qualifications, Experience and Independence

The MSA Group is an independent provider of exploration, evaluation and environmental consulting and contracting services, which has been providing services and advice to the international minerals industry and financial institutions since 1983. The Report has been compiled by Mr Michael Robertson with assistance from Dr Friedrich Reichhardt.

Mr Michael Robertson is a professional geologist with over 27 years' exploration and project development geological experience, the majority of which has been gained on base metal and gold projects globally. His experience includes all aspects of exploration with an emphasis on compliance with various reporting codes, as well as consulting experience over the past 15 years. Mr Robertson is a Principal Consultant with MSA, a Professional Natural Scientist (Pr. Sci. Nat.) registered with the South African Council for Natural Scientific Professions, a Fellow of the Geological Society of South Africa, and a Member of the Southern African Institute of Mining and Metallurgy. Mr Robertson has the appropriate relevant qualifications, experience, competence and independence to act as a 'Competent Person' as that term is defined by JORC. He is a Competent Person for the deposit types under consideration and is responsible for all Sections of the Report.

Dr Friedrich Reichhardt is a professional geologist with over 30 years' experience in the field of igneous petrology and magmatic, sulphide-hosted ore deposits throughout Africa. Dr Reichhardt is Principal Consultant with MSA, a Professional Natural Scientist (Pr. Sci. Nat.) registered with the South African Council for Natural Scientific Professions, and is a Fellow of the Geological Society of South Africa. Dr Reichhardt has the appropriate relevant qualifications, experience, competence and independence to act as a 'Competent Person' as that term is defined by JORC. Dr Reichhardt assisted with those Sections of the Report dealing with the KSZ Project.

Peer review has been undertaken by Dr Brendan Clarke, who is a professional geologist with over 17 years' of geological experience including target generation, programme management, structural geological mapping and analysis and Competent/Qualified Persons reporting. Brendan has managed and consulted to exploration programmes in South Africa, Zambia, Zimbabwe, Botswana, Cameroon, Democratic Republic of Congo, Ghana, Cote D'Ivoire, Sierra Leone, Uganda, Turkey, Yemen, Saudi Arabia, Ethiopia, Burundi and India and has additionally provided specialist consulting services to projects in Liberia, Gabon and Republic of Congo. Dr Clarke is a Professional Natural Scientist (Pr. Sci. Nat.) registered with the South African Council for Natural Scientific Professions, and a Member of the Geological Society of South Africa. Dr Clarke is the Head of Geology at The MSA Group and is based in the MSA Johannesburg office.

Neither MSA, nor the authors of this report, has or has had previously, any material interest in Kavango or the mineral properties in which Kavango has an interest. Our relationship with Kavango is solely one of professional association between client and independent consultant. This

report is prepared in return for professional fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this report.

3 RELIANCE ON OTHER EXPERTS

All project related technical data and information was provided by Mr Hillary Gumbo, co-founder and director of Kavango. Mr Gumbo holds a BSc in Geology and MSc in Geophysics and is responsible for the planning and execution of all field activities conducted by Kavango on the KSZ and Kavango Copper Projects (prior to RTME's involvement and following its involvement upon termination of the JV agreement becoming effective).

The Kavango projects are understood to consist of 15 granted Prospecting Licenses for Metals, covering an aggregate area of approximately 7,797 km^2 issued in terms of Section 16 of the Mines and Minerals Act of the Republic of Botswana.

The legal status associated with the tenure of Kavango's properties is based on a legal due diligence and opinion provided by Botswana law firm Collins Newman & Co, and the CPR has been prepared on the assumption that the tenements will prove lawfully accessible for evaluation. A copy of the legal opinion by Collins Newman & Co is presented in Appendix 3.

Neither MSA nor the authors of this report are qualified to provide comment on legal issues associated with the Projects, including Kavango's joint venture agreement with RTME and the termination thereof. Comment on these agreements is for introduction only, and should not be relied on by the reader.

Similarly, neither MSA nor the authors of this report are qualified to provide comment on environmental issues associated with Kavango's Projects.

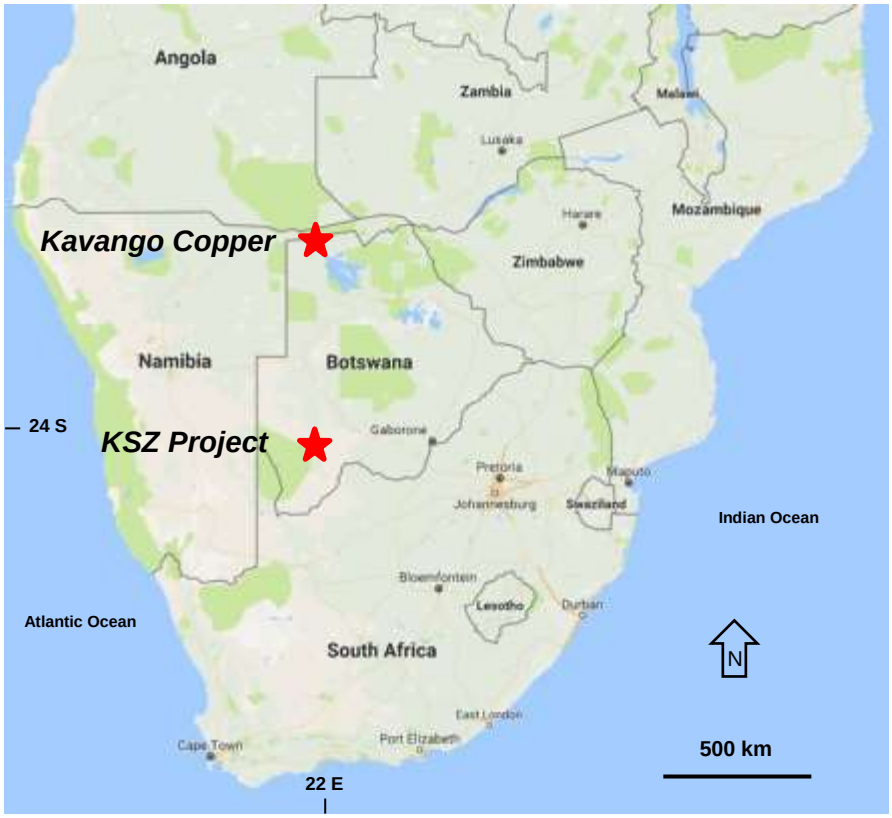
No warranty or guarantee, be it express or implied, is made by MSA with respect to the completeness or accuracy of the legal or environmental aspects of this document. MSA does not undertake or accept any responsibility or liability in any way whatsoever to any person or entity in respect of these parts of this document, or any errors in or omissions from it, whether arising from negligence or any other basis in law whatsoever.

4 PROPERTY DESCRIPTION AND LOCATION

4.1 Location

The localities of the two Projects in Botswana and within the wider context of southern Africa are shown in Figure 4-1.

Figure 4-1
Location of the two Project areas in Botswana with neighbouring countries



Source: www.mapstudio.co.za

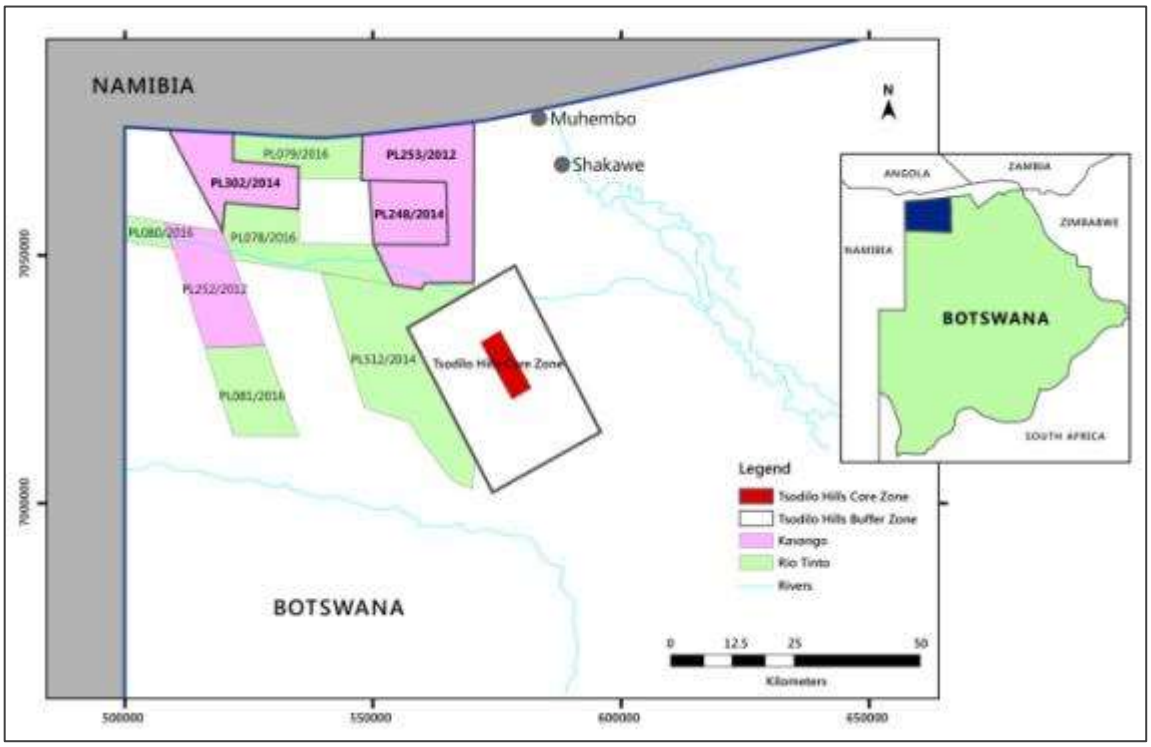
4.1.1 Kavango Copper Project

The Kavango Copper Project licenses are located between 15 km and 75 km west of the town of Shakawe in the Shakawe District, Ngamiland Province in northwest Botswana.

The Kavango Copper Project initially covered five PLs of which four were held by Kavango Minerals, being PLs 252/2012, 253/2012, 248/2014 and 302/2014 and one held by RTME, PL512/2014 which was added into the JV (Figure 4-2).

The Project currently comprises the three PLs 248/2014, 253/2012 and 302/2014. Of these only PL253/2012 remains in the JV (although this will revert back to Kavango in its entirety following termination of the JV agreement becoming effective).

Figure 4-2
Location of the Kavango Copper Project Prospecting Licenses in northwest Botswana



Source: RTME, 2017

4.1.2 KSZ Project

The KSZ Project is situated in the Kgalagadi District of southwest Botswana (Figure 2-1) which includes a large portion of the Kalahari Desert. The Kgalagadi District covers an area of over 100,000 km^2 and has a population of approximately 50,000, according to the 2011 census, accounting for 2.3% of Botswana's estimated total population of 2.2 million. The village Tsabong with a population of about 9,000 is the administrative centre of the Kgalagadi District and the village Hukuntsi (population of ±5,000) is the centre for the Kgalagadi North Sub-district.

4.2 Mineral Tenure, Permitting, Rights and Agreements

A total of 15 Prospecting Licenses ("PLs") were granted to Kavango between 2012 and 2016 by the Department of Mines of the Ministry of Mineral Resources. A summary of the 15 PLs is shown in Table 4-1. The PLs are issued in terms of Section 16 of Botswana's Mines and Mineral Act for a maximum period of seven years, including two renewal periods of two years each, after which the PL holder can apply for a Mining License. All 15 PLs entitle the PL holder to prospect for "Metals" which include all precious metals, base metals and rare earth elements.

The PL holder has to pay an annual fee of five Botswana Pula ("BWP"), which equates to approximately USD 0.50, per square kilometer of the license area to the Department of Mines. The

holder is committed to expeditiously carry out the programme of prospecting operations with the associated expenditures as stipulated in the PL holder's License application or renewal application. Kavango's minimum expenditure commitments range from BWP1.0 million to BWP1.07 million over the next 2 years except for PLs 155/2016 to PL157/2016 which have a commitment of BWP2.18 million (PL155/2016 and PL156/2016) and BWP1.87 million (PL157/2016) over the next two years (BWP10 ≈ USD1).

Botswana law firm Collins Newman & Co advised MSA in writing confirming the legal status of the PLs with the Ministry of Mines and that all 15 PLs are in good standing (see Appendix 3). All government requirements in terms of license fees and annual reports on the PL's have been submitted up to the date of this report.

The three Kavango Copper Project PLs have a combined surface area of 869 km^2 and the 12 PLs of the KSZ Project have a combined surface area of 6,928.1 km^2 resulting in a total area for the 15 PLs of approximately 7,797 km^2.

Table 4-1
Summary table of Kavango's assets

Asset	License holder	Kavango's interest	Status	License expiry date	PL area	Comments
Kavango Copper Project	Kavango Minerals (Pty) Limited	100% 85%[1] 100 %	Exploration	PL248/2014: 31 Dec 2019* PL253/2012: 31 Dec 2019 PL302/2012: 31 Dec 2019	192 km^2 447 km^2 230 km^2	Renewal applications for a further 2 years granted on 21 Nov 2017 for the 3 PLs without a reduction in PL areas
KSZ Project	Kavango Minerals (Pty) Limited	100 %	Exploration	PL163/2012: 31 Dec 2019 PL164/2012: 31 Dec 2019 PL165/2012: 31 Dec 2019 PL166/2012: 31 Dec 2019 PL167/2012: 31 Dec 2019 PL168/2012: 31 Dec 2019 PL169/2012: 31 Dec 2019	497.4 km^2 496.9 km^2 457.3 km^2 493.8 km^2 432.4 km^2 436.5 km^2 469.2 km^2	Renewal applications for a final 2 years granted on 21 Nov 2017 for the 7 PLs PL163/2012 to PL169/2012 without a further 50% reduction in PL areas
				PL509/2014: 31 Dec 2019* PL510/2014: 31 Dec 2019*	413 km^2 498.6 km^2	First renewal applications for a further 2 years granted on 21 November 2017 for PL509/2014 and PL510/2014 with a 50% reduction in PL areas
				PL155/2016: 31 Dec 2019** PL156/2016: 31 Dec 2019** PL157/2016: 31 Dec 2019**	975 km^2 977 km^2 781 km^2	Renewal application due in 2019 for a two year period with a 50% reduction in PL areas

Note: *Prospecting Licenses are granted for a total of 7 years with two renewals of 2 years each after the initial 3 year period. A reduction of 50% of the PL surface area is expected at the start of each of the two renewal periods*
** = can be renewed for a further 2 year period up to 31 December 2021*
*** = can be renewed for two further 2 year periods with a 50% reduction in surface area up to 31 December 2023*
[1] = Kavango's interest will be increased to 100% upon termination of the JV agreement becoming effective (see Section 4.2.1)

4.2.1 Kavango – Rio Tinto Mining and Exploration Agreement

The agreements between Kavango Minerals (Proprietary) Ltd ("Kavango") and Rio Tinto Mining & Exploration Ltd ("RTME") with respect to the Joint Venture are confidential however the headline terms of these agreements are as follows (we have included these details as the parties remain subject to the terms of the JV agreement until such time as termination becomes effective (60 days after the date of the notice to terminate)):

1. A Joint Venture Agreement was signed between Kavango and RTME on 8 August 2014, which became effective on 20 October 2014.
2. Under the terms of this agreement an "area of interest" was defined in the north-western corner of Botswana that included at the time 4 licences that were held by Kavango. By mutual agreement in March 2017, the scope of the Joint Venture (and the area of interest) was reduced to include only licence PL 253/2012.
3. RTME has a right (but not an obligation) to Earn-in to the JV in three stages, and as a result can earn up to a 90% interest in the Project. In order to complete all three stages, RTME must either complete a Bankable Feasibility Study or incur total project expenditure of $8 million. RTME can complete any stage, but is under no obligation to complete any further stage.
4. During the Earn-in period, the exploration of the licences within the area of interest is to be managed and funded solely by RTME. After the end of that period (to be determined by RTME), each party will fund pro rata to its interest in the JV at the time. Any failure to fund pro rata by either party will result in its interest in the JV being diluted in accordance with a set formula.
5. If RTME completes all three stages of the Earn-in:
    i. Kavango has the right to holds its remaining 10% participating interest or convert it to a royalty of 1% on iron ore products and 0.5% on other products, subject to a $75 million limit.
    ii. RTME will make a payment to Kavango of $2.5 million.
6. It was further agreed that certain cash payments would be made by RTME to Kavango on each anniversary of the effective date of the agreement during the Earn-in period (payable up to the 10th anniversary or the termination of the agreement, whichever is earlier).

Subsequent to the signing of the initial agreement in August 2014, RTME was undertaking a program of exploration, highlights of which are as follows.

7. On 8 December 2015, RTME gave notice that it had completed stage 1 of the Earn-in, earning a 15% interest in the project.
8. Following a VTEM (airborne EM) survey over the licences in 2016 and the identification of electromagnetic ("EM") conductors, RTME drilled 6 diamond holes (for 1,510 metres) into a number of targets.
9. Kavango have been advised that RTME was planning to drill a geophysical target close to the Namibian border in early 2018.
10. Up to the end of September 2017 RTME had spent a total of $1.475 million on the JV.

The highlights described in this section have been approved for inclusion in Kavango's IPO Prospectus by Rio Tinto Mining & Exploration Ltd.

4.3 Environmental Liabilities

MSA is not aware of any environmental liabilities pertaining to the 15 PLs. PL166/2012 and PL167/2012 cover parts of the Mabuasehube Game Reserve and exploration activities are subject to the provisions of the Wildlife Conservation and National Parks Act, 1992 and require approval by the Ministry of Commerce and Industry. MSA has been presented with such an approval letter.

All airborne surveys 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.

Kavango and RTME made a conscious effort to identify and mitigate all critical environmental issues with input from relevant stakeholders during the proposed prospecting operations. If, following the termination of the JV Earn In Agreement, Kavango elects to continue the exploration phase, and if this proves to be successful in identifying a significant resource, a comprehensive Environmental Impact Assessment ("EIA") will be done as part of the Project Feasibility Study.

4.4 Surface Rights

The surface rights for the 15 PLs rest with the Ngamiland (Kavango Copper Project) and Kgalagadi (KSZ Project) District Councils of the Government of Botswana who provide free and unrestricted access to the individual license areas.

5 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

5.1 Accessibility

5.1.1 Kavango Copper Project

The Kavango Copper Project area is accessed by a 380 km reasonably maintained tarred road (the A35) from the regional centre of Maun to the town of Shakawe. Shakawe is located 250 km northwest of Maun. Maun has an international airport and is well-serviced by scheduled flights. Owing to the tourism industry within the Okavango Delta area, charter flights are available in and out of Shakawe.

Access to the Project area is via a calcrete-sealed road to the Tsodilo Hills that branches off the tarred A35 at Mohembo village on the Botswana-Namibia border, about 14 km north of Shakawe (Figure 4-2). This road passes through the licenses and through Chukumuchu and the Tsodilo Hills before it re-joins the A35 at Nxamasere.

Access within the individual licence areas is in the form of sandy tracks, which are often developed along cut-lines (Figure 5-1).

Figure 5-1
Typical terrain and access within the Kavango Copper Project area

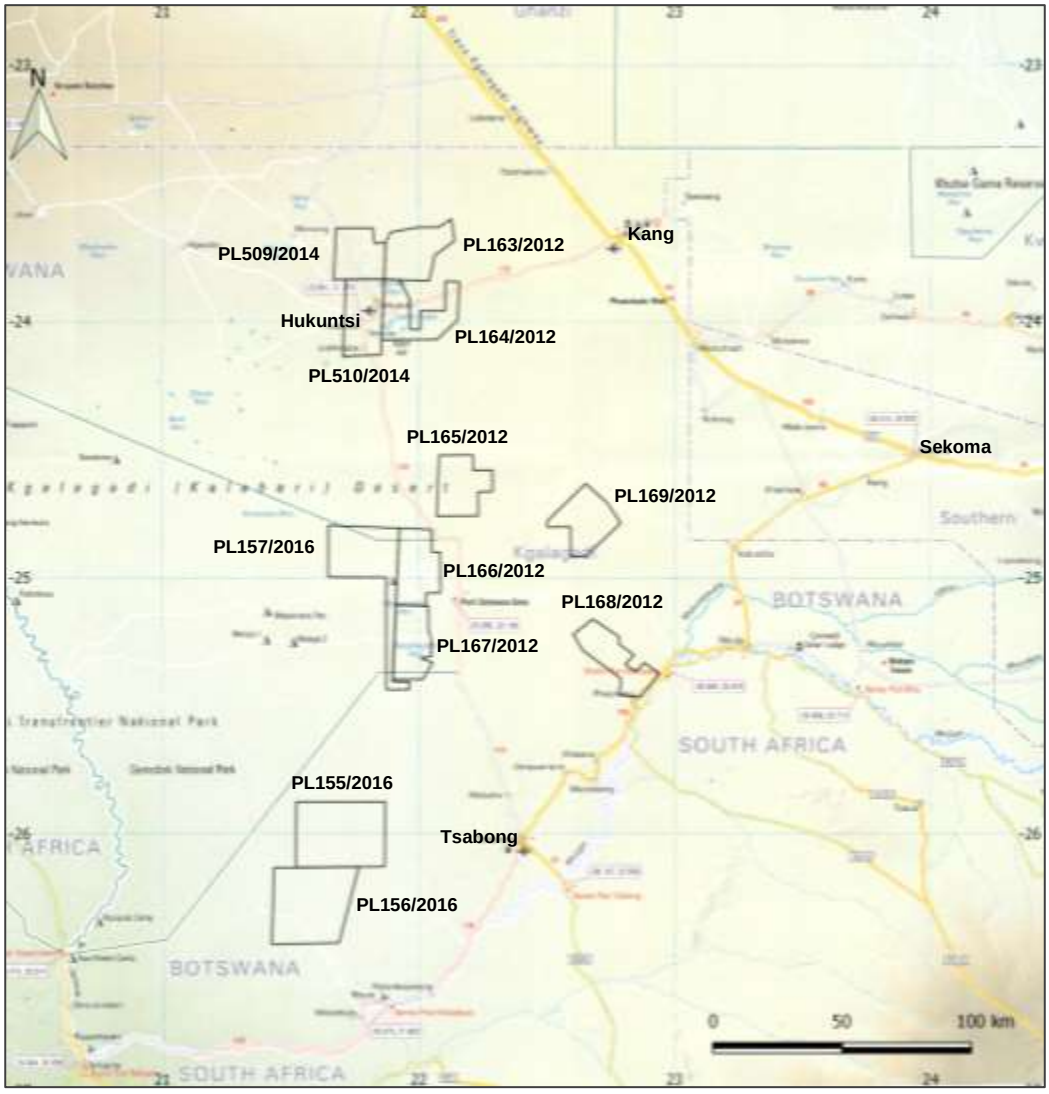
Source: MSA, 2017

5.1.2 KSZ Project

The 12 PLs of the KSZ Project occur within an approximately 350 km long and up to 100 km wide north-south orientated block in the western part of the Kalahari Desert. Access is through the paved Trans-Kalahari Highway ("TKH") linking Botswana's capital city Gaborone with the Namibian capital Windhoek. The PLs within the KSZ block can be

reached with a 4x4 off road vehicle via a further tar road from the village Kang (along the TKH) to the regional administrative village Hukuntsi and then via a series of relatively wide sand tracks (Figure 5-2). Travel times to the individual PLs from Gaborone are between 5 and 7 hours and approximately 1 to 3 hours from Kang which offers overnight and other basic facilities similar to Hukuntsi which has a hospital, a small airport and several government offices. Hukuntsi has replaced the nearby old settlement of Tshane as the regional centre. The southernmost PLs 155/2016, 156/2016 and 168/2012 are reached from the tarred Sekoma - Tsabong road and then via various sand tracks.

Figure 5-2
Road network for KSZ Project



Source: www.mapstudio.co.za

The KSZ Project is situated in the Kgalagadi District of southwest Botswana which includes a large portion of the Kalahari Desert. The Kgalagadi District covers an area of over 100,000 km^2 and has a population of approximately 50,000, according to the 2011 census, accounting for 2.3% of Botswana's estimated total population of 2.2 million. The village Tsabong with a population of about 9,000 is the administrative centre of the Kgalagadi District and the village Hukuntsi

(population of ±5,000) is the centre for the Kgalagadi North Sub-district, created as part of the National Development Plan. The indigenous San people have lived in the Kalahari for over 20,000 years as hunter-gatherers and have been encouraged in the past 20 years by the Botswana Government to move into purpose-built villages.

5.2 Climate and Physiography

5.2.1 Kavango Copper Project

The climate of the region can be generally described as semi-arid due to the short rain season. The relatively high altitude however, gives the region a subtropical climate.

The Project area is characterised by generally flat-lying topography with an elevation between 950 m and 1,050 m. The Tsodilo Hills to the south rise up to 400 m above the surrounding plains. The terrain is characterised by savannah grassland with scattered trees and shrubs (Figure 5-1). Tree cover becomes more abundant towards the north in proximity to the Namibian border (Figure 5-3).

Figure 5-3
Typical terrain in the northern part of the Kavango Copper Project area

Source: MSA, 2017

5.2.2 KSZ Project

Physiographically, all 12 KSZ licenses lie within the Kalahari Desert. The ground is essentially flat with occasional fixed hummocky sand dunes forming the only relief. The main features of the terrain are large pans – sub-circular depressions generally floored by clay (Figure 5-4) – which are widespread in the Hukuntsi and Mabuasehube Game Reserve area, Tshane Pan being the largest example of a dry pan. The average elevation of the Project area is approximately 1,000 m.

Figure 5-4
Panoramic view of the Mabuasehube Pan and a hummocky sand dune

Source: Travel for Wildlife.com and Africa-travel.net

The Kalahari Desert supports a rich natural vegetation of trees, shrubs and grasses. The climate is semi-arid with an average annual rainfall of 150-200 mm. Precipitation is restricted to the summer months November to April, when tropical thunderstorm activity may occur. Rainfall is very variable and droughts are common.

Summer daytime temperatures range between 20 °C and 30 °C with peaks of 40 °C or more, while night temperatures rarely drop below 10 °C. During the winter months June to August, the daytime temperatures lie around 20 °C and night temperatures can fall to minus 5 °C (Climate-Data.org).

There is no perennial surface water in the KSZ Project area although pans may hold water for a few months after heavy rains. Karoo sandstone aquifers, which underlie most of the tenure area, contain a substantial groundwater resource but the water quality is generally very poor. Many deep boreholes drilled by the Water Division of the Geological Survey yielded saline water unsuitable for livestock which has limited the establishment of settlements in much of the area.

Animals that have adapted to the extremely dry conditions in the Kalahari include meerkats, gemsbok, oryx, kudu, springbok and other antelopes, baboons, lion and leopard, ostrich and many other large bird species including the secretary bird and kori bustard, lizards and many snake varieties including cape cobras and puff adders.

5.3 Local Resources and Infrastructure

5.3.1 Kavango Copper Project

Shakawe is located on the northern banks of the Panhandle of the Okavango Delta and is the nearest small town to the Project area. The town has basic facilities including a paved air strip, supermarket, shops, petrol and repair stations. A new hospital is currently under construction. Cell phone coverage is available in Shakawe and in some of the smaller villages in the Project area, the largest village of which is Gani. Regular bus transport services exist between Shakawe and Maun.

5.3.2 KSZ Project

The main villages Hukuntsi, Kang and Tsabong (Figure 5-5) provide all basic facilities within the KSZ Project area including a hospital, airport, petrol stations and repair shops. Mobile phone reception is limited to the tarred roads to Tsabong and Hukuntsi and along the Trans-Kalahari Highway. Regular bus transport services exist from the main villages to the capital city Gaborone.

Figure 5-5
Tsabong village is the administrative centre of Kgalagadi District

Source: Kalahari Desert.net

6 HISTORY

6.1 Kavango Copper Project

6.1.1 Regional Geophysical Surveys

Regional gravity and magnetic surveys covering the whole of Botswana have been carried out by the Botswana Geological Surveys ("BGS") (Baker, 2014). The gravity survey was conducted during 1972/1973 with an overall density of 37 stations per 100 km^2. Available tracks were mostly used; however, inaccessibility issues in the north of the country resulted in gaps in the survey. A follow up regional gravity survey on a 7.5 km grid was conducted by Poseidon Geophysics during 1998/1999 which aimed to fill gaps in the BGS data coverage. Using differential GPS, significant improvements in data quality were obtained, particularly in elevation, with an accuracy of ±0.15 m. The regional gravity data is integrated with other regional gravity data sets.

Aeromagnetic coverage of the Ngamiland District was conducted through a contractor by the BGS in 2001 at a line spacing of 250 m and line sampling at approximately 8 m at a mean terrain clearance of 80 m.

6.1.2 Previous Exploration

Exploration activity by Gcwihaba Resources (Pty) Ltd ("Gcwihaba"), a 100% held subsidiary of Tsodilo Resources Limited ("Tsodilo"), in the Ngamiland area in 2008 identified base metals potential (Jeffcoate *et al.*, 2014). Prior to this work, geological knowledge of the area was largely limited to the regionally extensive Kalahari Group cover. Work by Dr Maarten de Wit of the African Earth Observatory Network ("AEON") at the University of Cape Town, in a joint research project with Tsodilo, concluded that the Gcwihaba drill core intersections in northwest Botswana correlate with the sequence hosting the Central African Copperbelt and were interpreted as an extension of this sequence.

This was confirmed by re-logging of the Gcwihaba core carried out by First Quantum Minerals ("FQM"), who subsequently embarked in a strategic partnership with Gcwihaba in April 2013. The FQM focus was on assessing the potential for Copperbelt-style deposits, whereas Gcwihaba focused on the Xaudum Iron Project, which was excluded from the strategic partnership.

Two drilling campaigns were conducted by FQM in 2014. The FQM programme involved drilling stratigraphic section lines within Gcwihaba's PLs to test prospective targets such as fault intersections and traversing key geological contacts for the purposes of increasing the knowledge of basin stratigraphy and structure on Gcwihaba's PLs to the immediate east of the Kavango Project area (De Wit, 2013). Diamond drillholes were inclined, spaced between 500 m and 2,000 m apart and were 300 m to 700 m in depth for a total of 8 holes with a combined metreage of 5,817 m.

FQM also conducted reverse circulation ("RC") drilling within Gcwihaba's PLs on an offset grid pattern for the purpose of deep geochemical sampling through the Kalahari cover and specifically to sample the interface between overlying Kalahari and weathered bedrock.

6.2 KSZ Project

Southwest Botswana is largely covered by Kalahari Group sediments and the underlying Sediments of the Karoo Supergroup. Pre-Kalahari Group rocks only occur in scattered inliers mainly close to the Molopo River and occasionally along the edges of large dry pans.

The following exploration campaigns were conducted in the greater KSZ Project area:

6.2.1 Early work and first borehole in southwestern Botswana - 1961

The reconnaissance geological map of Botswana (Boocock and van Straten, 1962) noted outcrops in the Molopo River and at Tsabong, Khuis and Mabuasehube. All pre-Karoo rocks exposed at these localities were assigned to the "Matsap System" which is now regarded as the Olifantshoek Supergroup, although the correlation of the rocks at the Mabuasehube Pan was very tentative. The Olifantshoek Supergroup is well exposed and studied in the adjacent Northern Cape Province of South Africa.

In 1961, the Botswana Geological Survey ("BGS") drilled a cored borehole 8 km northwest of Khuis in the southern KSZ area, intended to investigate the hydrocarbon potential of the Karoo rocks. The hole 'Lelenamagadi' was collared on the then unrecognized KSZ and intersected Karoo Ecca and Dwyka Group sediments to end of hole ("EOH") at a depth of 288 m.

6.2.2 Aeromagnetic and gravity surveys - 1975 to 1977

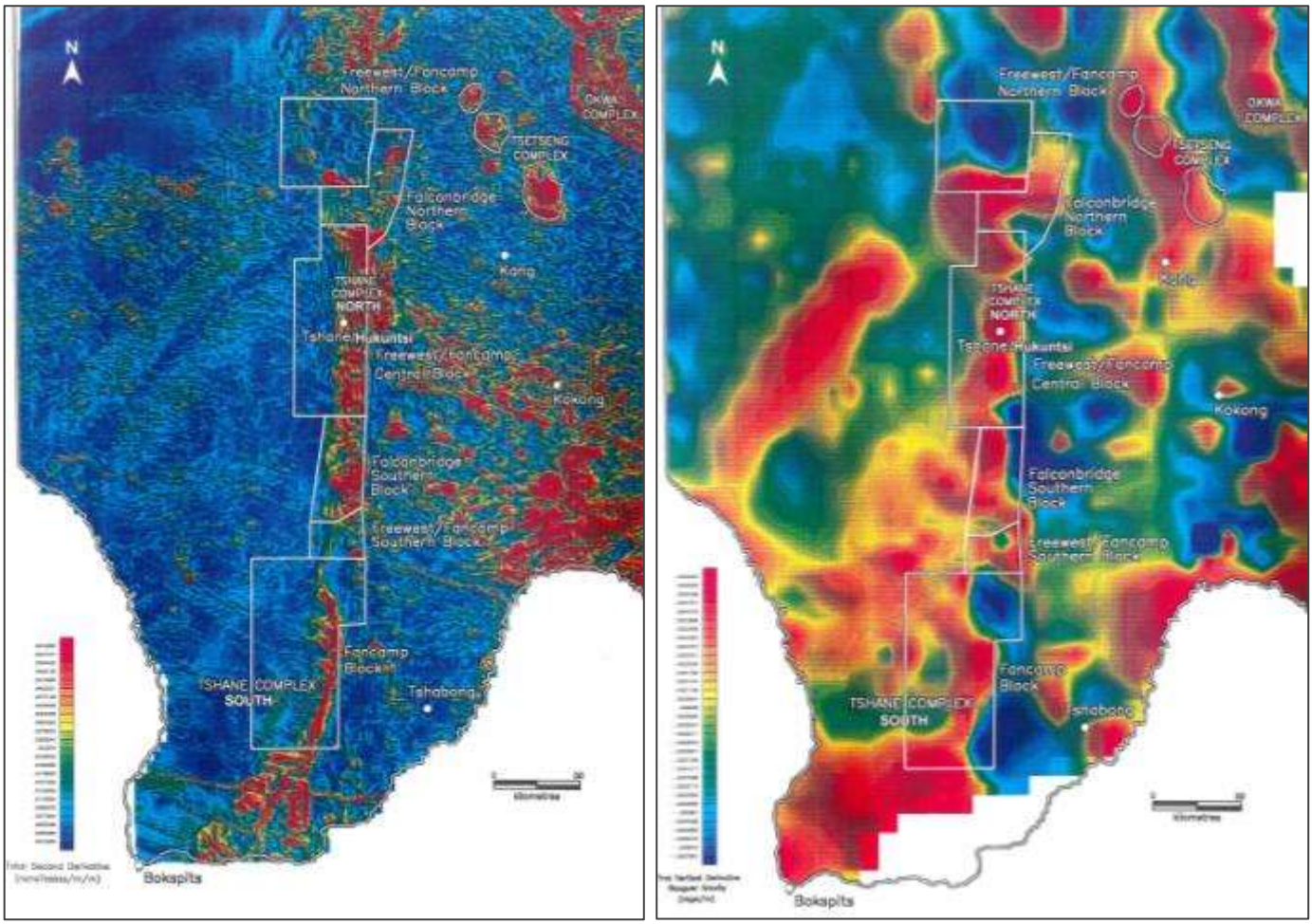
The KSZ was first recognised from a reconnaissance aeromagnetic survey of western Botswana flown between 1975 and 1977 (Reeves, 1978) which discovered a series of very large elongate magnetic anomalies extending for almost 500 km from the Molopo River in the south to the Okwa Valley in the north (Figure 6-1). The north-south trend of magnetic anomalies was seen to correspond in part to a steep gravity gradient observed by the national gravity survey of Botswana (Reeves and Hutchins, 1976) along which Bouguer anomaly values increase sharply from east to west (Figure 6-1). This magnetic and gravity feature was termed the "Kalahari Line" in Reeves (1978) but by historical precedent this term applies to a major north-south trending gravity discontinuity some 100 km to the east of the KSZ. The aeromagnetic anomaly associated with the KSZ is clearly a feature of continental proportions and can be traced across Botswana into Zimbabwe.

Based on the aeromagnetic survey, the inferred causative body of the linear magnetic anomalies was termed the Tshane Complex (Reeves, 1978) and modelling of the intrusive and extrusive bodies indicated depths between 200 m and 3,000 m. 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 magnetism of the individual bodies reportedly vary widely.

6.2.3 Kalahari Drilling Project – 1981 to 1982

The results from the aeromagnetic and gravity surveys were followed up with the Kalahari Drilling Project conducted by the BGS during 1981/1982. The Tshane Complex was targeted with five cored boreholes but only hole CKP-8C-1 (south of PL164/2012) succeeded in intersecting gabbro, believed to be part of the Tshane Complex, at a depth of 772 m. Hole CKP-5C (between PL165/2012 and PL166/2012) encountered pre-Karoo gabbro at a shallow depth of 57 m but the hole is located 18 km east of the main magnetic anomaly. The other three holes CKP-5B, CKP-8A and CKP-9 failed to reach the base of the Karoo Supergroup, often because of technical problems. CKP-5B (in PL165/2012) and CKP-8A (in PL163/2012) intersected post-Karoo dolerite at depths from 266 m to 289 m (EOH) and from 299 m to 465 m (EOH), respectively. A comprehensive report by Meixner and Peart (1994) summarises all borehole results which are shown in Figure 6-2.

Figure 6-1
2nd derivative magnetic intensity (left), 1st vertical derivative Bouguer gravity and historic PLs over KSZ



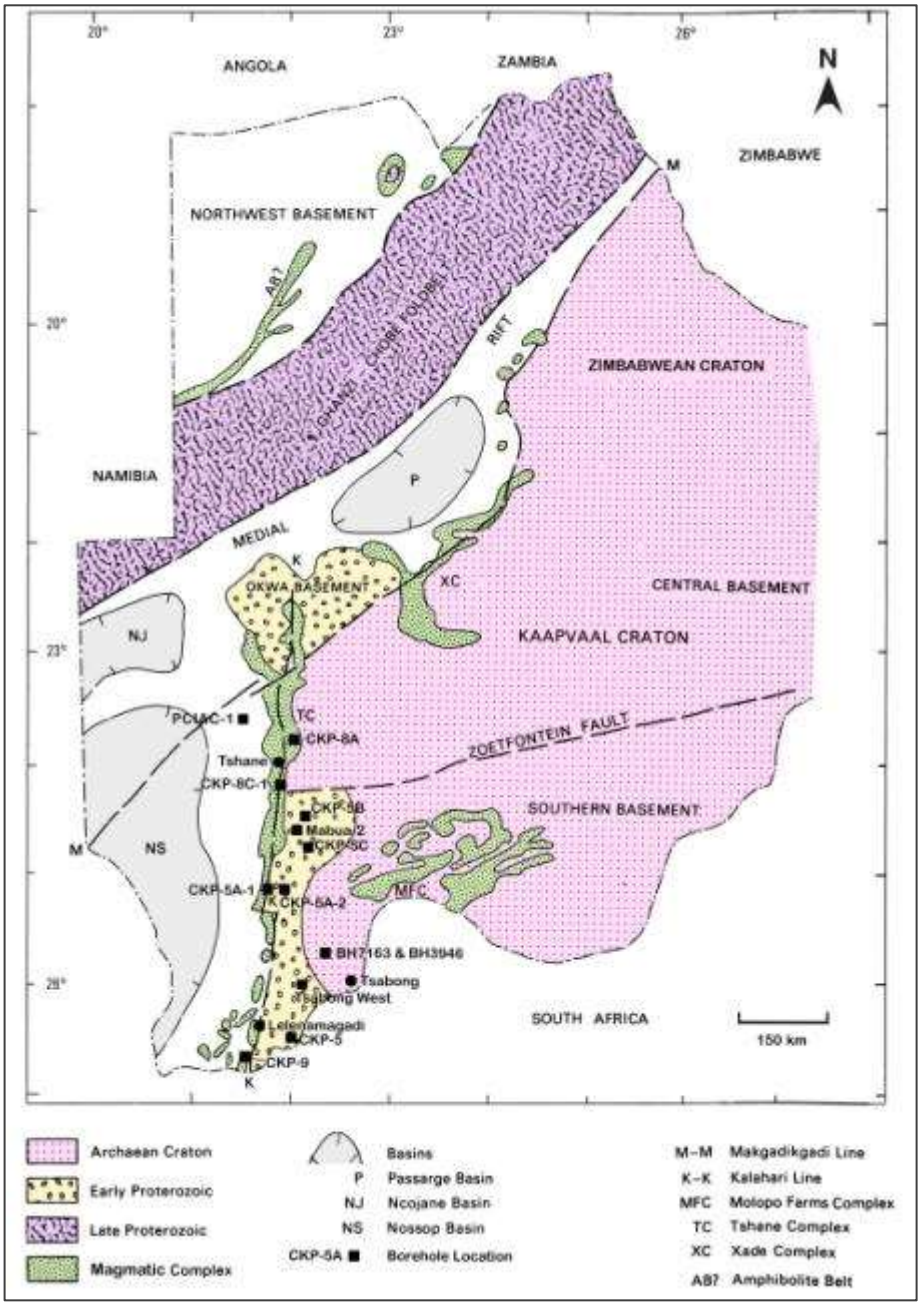
Source: MPH, 1996

6.2.4 Seismic reflection survey – 1987 to 1988

In 1987/1988 PetroCanada International Assistance Corporation ("PCIAC") carried out a seismic reflection survey in the Nossop Basin (Figure 6-2) to the west of the KSZ to assess the hydrocarbon potential of the latter basin which is filled with an approximately 15 km thick sedimentary package (Hall *et al.*, 1990). Although the survey was not directed at the KSZ, two of the seismic lines cross the Suture Zone, albeit not completely. The seismic sections show the Karoo rocks continuing with little disturbance over the KSZ but the underlying pre-Karoo sedimentary rocks of the Nossop Basin thin out markedly towards the east approaching the Suture Zone. The seismic data show that attenuated continental crust is present west of the KSZ which is therefore not the edge of the Kaapvaal Craton, as previously thought (e.g. Reeves, 1978). Such crustal thinning is typical of rift environments and the seismic interpretation indicates the possibility of crustal-scale, normal listric faulting on the eastern margin of the Nossop Basin which is interpreted as an intra-cratonic basin developed through continental rifting (Hoffe *et al.*, 1991). The Tshane Complex has since been interpreted as a large volume of ultramafic and mafic igneous rocks added to the stretched and thinned continental crust. The 1,071 Ma age determined from Tshane gabbro in CKP-8C1 thus puts the rifting episode in the late Mesoproterozoic (Hoffe *et al.*, 1991).

The PCIAC programme culminated in 1989 in the drilling of a 4 km deep borehole (PCIAC-1) on one of the seismic traverse lines across the Nossop Basin. This hole was drilled at Masetlheng Pan, 95 km northwest of Hukuntsi and intersected the base of the Karoo at 1,162 m, sediments of the Nama Group to 2,275 m followed by Ghanzi Group sediments to 4,016 m (EOH).

Figure 6-2
Synopsis of basement features and cored boreholes of Kalahari Drilling Project



Source: modified from Meixner and Peart, 1984

6.2.5 Additional drilling – 1991 and 1993

Mabua-2 (in PL165/2012) was to date the last borehole collared in the KSZ Project area. The hole was drilled by the BGS in 1991 on a magnetic and gravity low some 16 km east of the KSZ (Figure 6-2) and intersected pre-Karoo dolerite from 300 m to 365 m with a chilled contact to the underlying granitic gneiss Archean basement dated at 2.93 Ga (Kamo *et al.*, 1995).

Borehole "Tsabong West" was drilled by the BGS in 1993 as a stratigraphic hole to test a large negative gravity anomaly. The Tsabong West hole is 26 km east of the KSZ (Figure 6-2) and

intersected Karoo Ecca and Dwyka Group sediments to a depth of 579 m followed by purple to grey quartzites of the Olifantshoek Supergroup (<2.05 Ga) to EOH at 723 m. No igneous rocks were found in this hole.

6.2.6 Previous PLs held on the KSZ

In 1996, Canadian prospecting companies Fancamp Resources Ltd ("Fancamp"), Freewest Resources Canada ("Freewest") and Falconbridge Explorations Botswana (Pty) Ltd ("Falconbridge") collectively held PLs over the KSZ with a combined strike length of approximate 370 km (Figure 6-1). Fancamp shared most of the ground with Freewest through a 50:50 joint venture agreement and had introduced the project to Falconbridge who then tied up the remaining ground of the KSZ.

After a review of the geophysical data and borehole information Fancamp postulated that the KSZ hosts geology similar to that of the Voisey's Bay nickel-copper-cobalt deposits in the Canadian province of Newfoundland and Labrador which was discovered in 1993. Fancamp and Falconbridge examined the boreholes CKP-8C-1, CKP-8A, CKP-5B, CKP-5C and Mabua-2 and carried out geochemical and petrographic studies on 84 core samples collected from the various gabbroic rocks intersected by the five boreholes. A planned airborne EM survey followed by a drilling campaign was not carried out due to the inability to raise funds in the wake of the Bre-X Minerals Ltd scandal in Indonesia in early 1997 which triggered an immense fallout in the Canadian financial sector.

In 2002 a further Canadian junior exploration company Opawica Explorations Inc ("Opawica") drilled a deep borehole, GRS-1 into the Tshane Complex on their PL 5/2002. The hole GRS-1 ("great red spot" - a reference to its appearance on magnetic maps) intersected Karoo sediments to 917 m and only 17 m of gabbroic rocks when the hole had to be abandoned at a depth of 934 m (EOH) due to technical difficulties. An attempt to deepen the hole to 1,500 m with a different drill contractor failed as Opawica did not succeed in raising additional finance.

Falconbridge's attempt in 1996 to drill the same magnetic anomaly of the Tshane Complex in PL 83/1995, a few hundred metres west of GRS-1, failed in Karoo sediments at a depth of ±450 m also due to technical drilling problems and the borehole was subsequently abandoned.

The "great red spot" anomaly was in Kavango's PL163/2012 prior to 50% reduction of the PL area.

Opawica had drilled a further deep hole into the Tsetseng Complex (see Figure 6-1) which showed a downward gradation from felsic and intermediate rocks into more mafic lithologies. The hole was stopped at ±1,000 m but the exact details of the intersected package are not available.

In the 1990's Anglo American Corporation drilled borehole XH1 into the Xade Complex and intersected Karoo to 621 m, underlain by ±520 m of mafic lavas and ±210 m of mafic intrusives of the Xade Complex, followed by Waterberg shales to EOH at 1741 m (Pouliquen *et al.*, 2008).

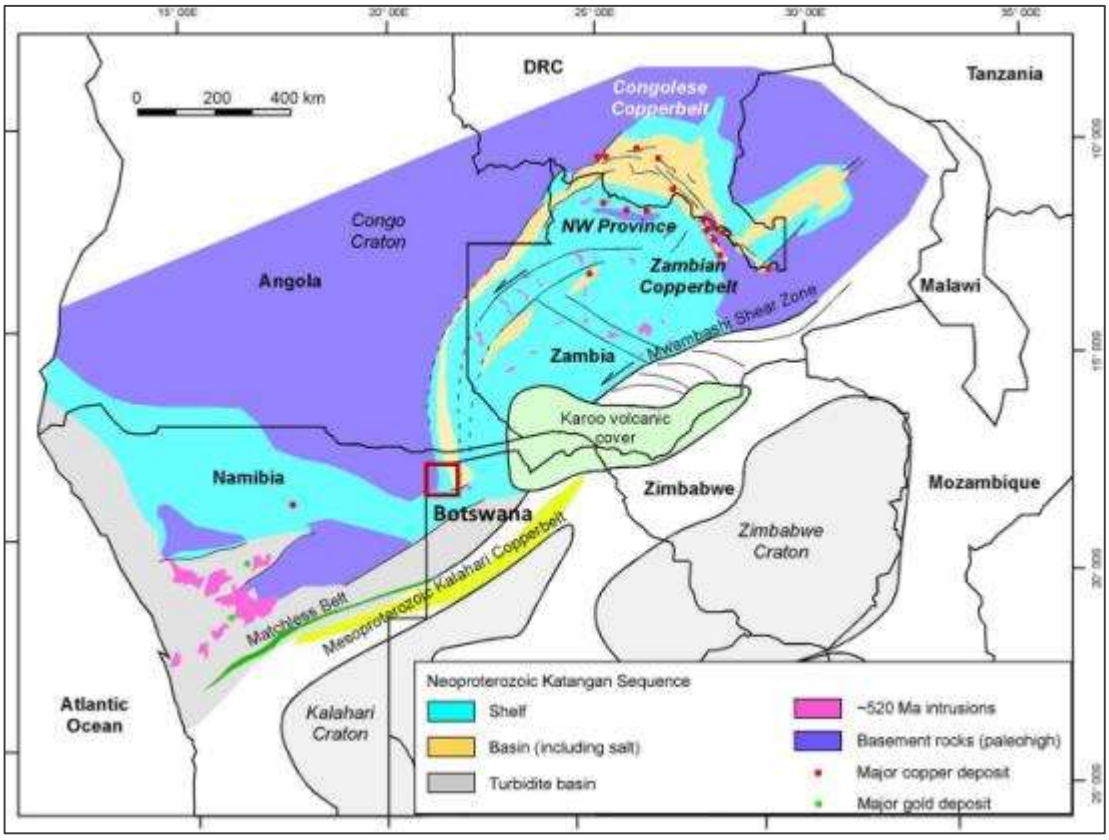
7 GEOLOGICAL SETTING AND MINERALIZATION

7.1 Regional Geology of the Kavango Copper Project

Information on the geology of the region, as described below, has been sourced from Baker (2014), De Wit (2009), De Wit (2012), Jeffcoate et al (2014) and Jones (2014). Similarities in the stratigraphy and structure between the Neoproterozoic Lufilian Arc which hosts the Copperbelt and the rocks beneath cover in northwest Botswana have been observed by these workers.

The simplified geology of the region and the Central African Copperbelt deposits are shown in Figure 7-1.

Figure 7-1
Geological setting of the Kavango Copper Project in northwest Botswana

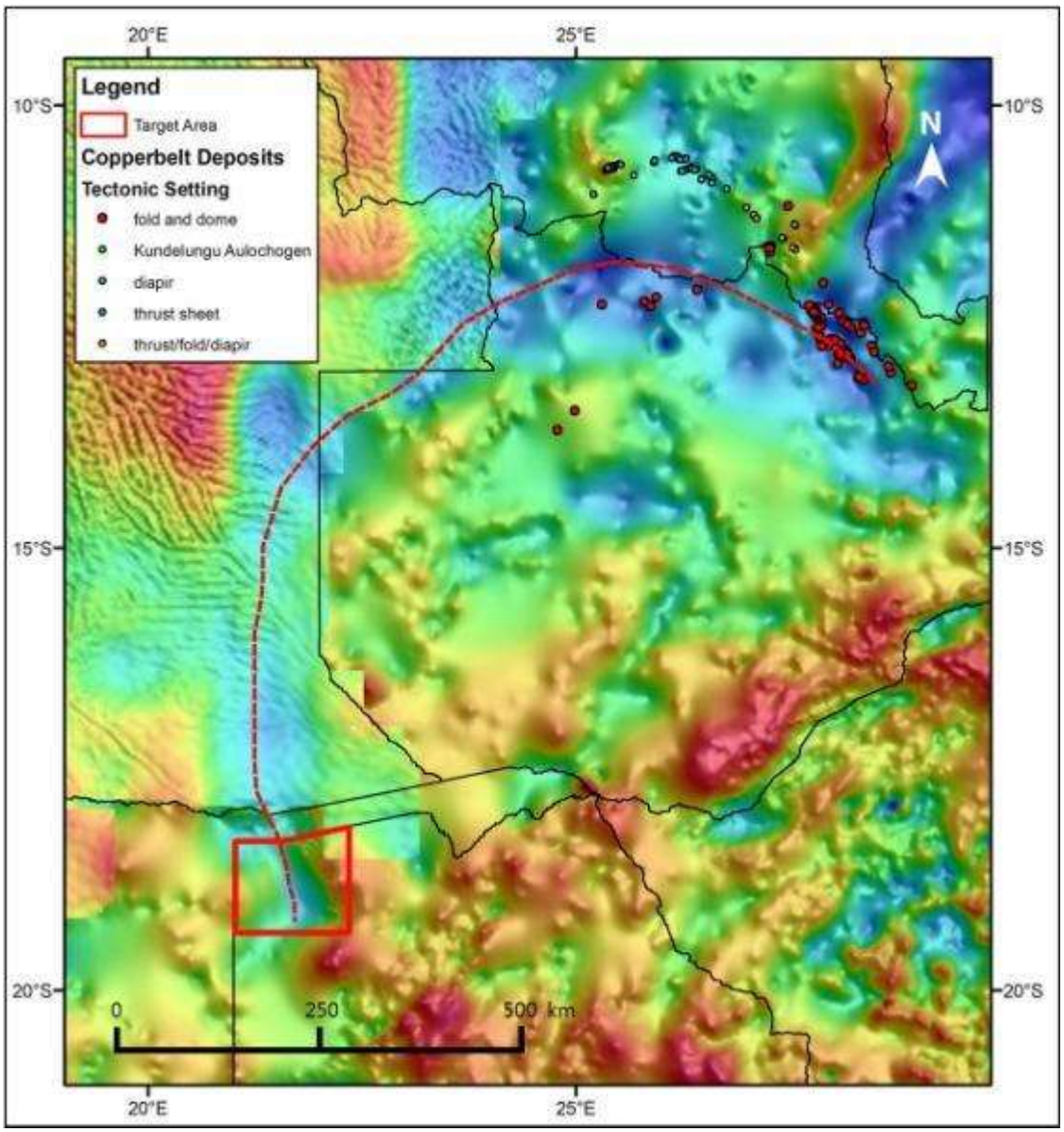


Source: RTME, 2017

The regional ground Bouguer gravity imagery for the region, together with the known Central African Copperbelt deposits within the Lufilian Arc shown by location and tectonic setting, is depicted in Figure 7-2. A general correlation is apparent between the Zambian Fold and Domes deposits with a regional gravity low. The gravity low extends from northwest Zambia through eastern Angola and the Caprivi Strip of Namibia into northwest Botswana (RTME, 2107).

Figure 7-2

Regional gravity coverage showing known Copperbelt deposits, the trend of the Lufilian Arc and its interpreted extension through eastern Angola into northwest Botswana

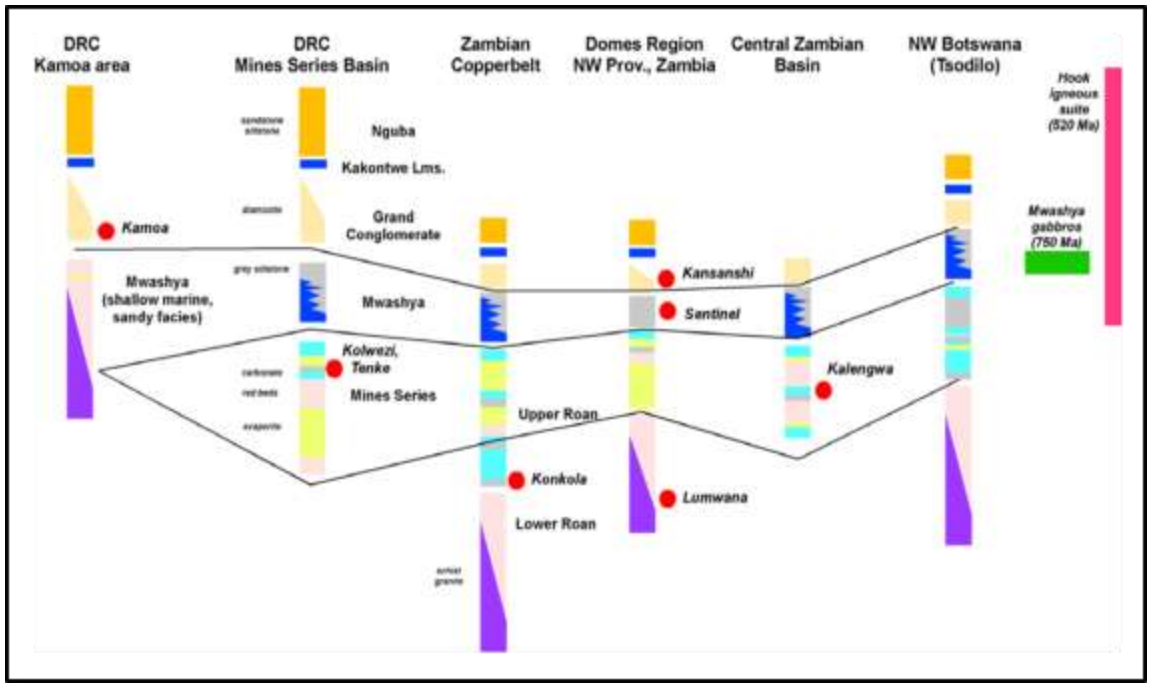


Source: RTME, 2017

An interpreted correlation across the various Neoproterozoic Pan-African sequences in the region and the location of the more important copper deposits is shown in Figure 7-3.

Figure 7-3

Interpreted stratigraphic correlation of Neoproterozoic sequences in the region, also showing the stratigraphic location of selected copper deposits

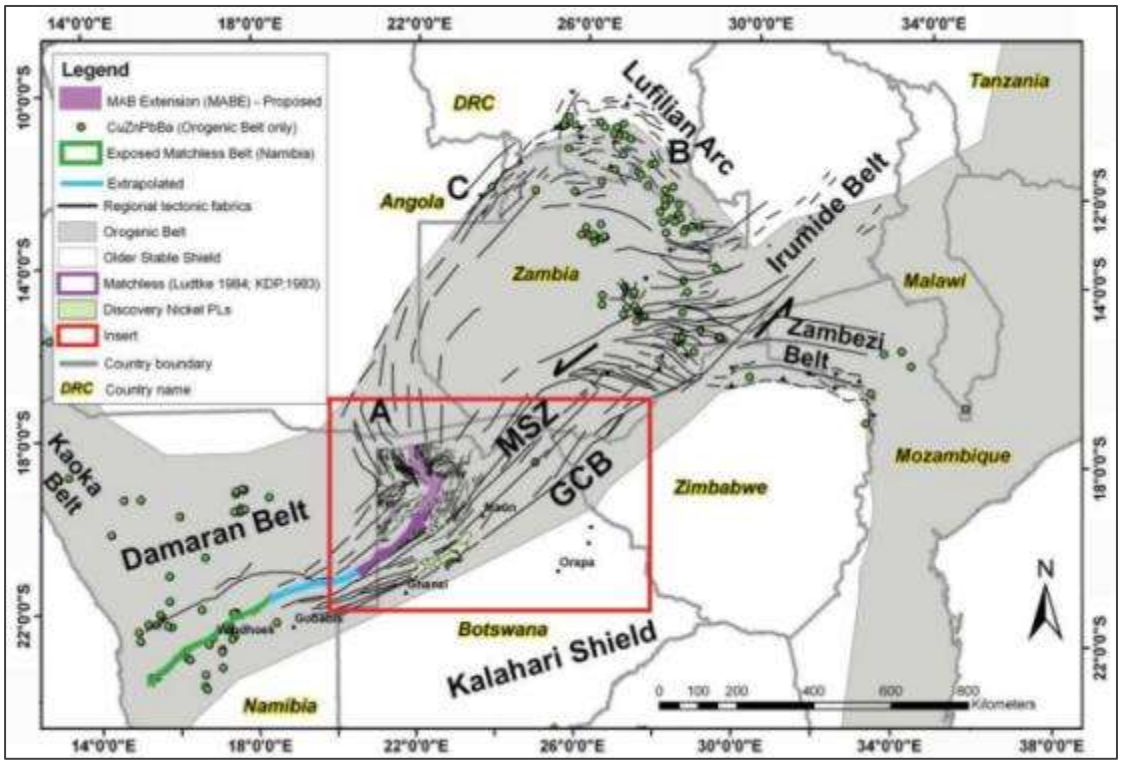


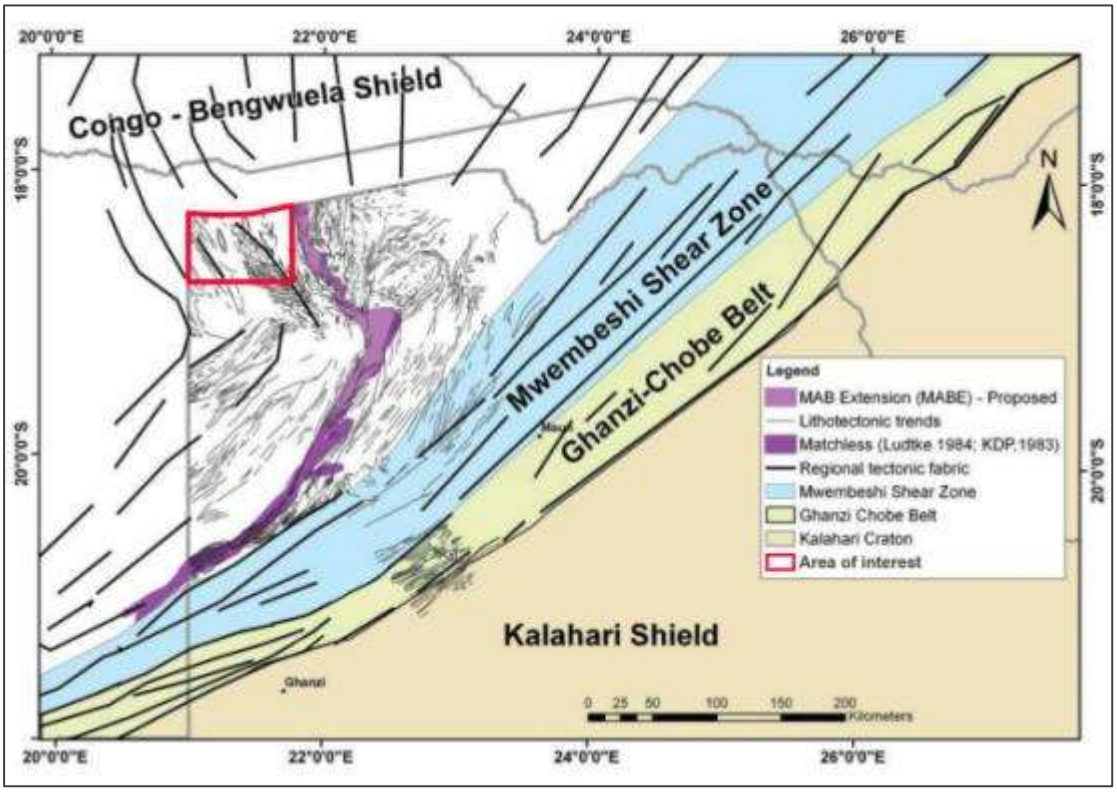
Source: Jeffcoate et al., 2014

The westerly extension of the Lufilian Arc hosting the Central African Copperbelt has been debated for decades. The Lufilian Arc curves sharply to the southwest before being buried by younger Kalahari sediments in western Zambia. Recent work has suggested that the belt is linked to the northeast trending Damara Belt in Namibia, and in particular to the sulphide-rich Matchless Amphibolite Belt comprising meta-ophiolites that mark a Neoproterozoic suture zone between the Kalahari and Congo-Bengwuela-Tanzania shields (de Wit, 2009) (Figure 7-4). Interpretation of new and existing magnetic survey data suggests a northeast-trending branch that follows the Mwembeshi Shear Zone and a northwest-trending branch that links the Damara Belt to the Lufilian Arc. This latter branch traverses the area of interest being the subject of this report, and suggests potential for sites of sediment-hosted and structurally controlled copper±cobalt mineralisation.

Figure 7-4

Relationship between the Lufilian Arc and the Damara Belt with interpreted linkages in the area of interest





Source: De Wit, 2009 and Jeffcoate et al, 2014

7.2 Local Geology

The geology of northwest Botswana has been described by Wendorff (2005). Apart from the Kalahari Group cover sequence, Wendorff (2005) describes Neoproterozoic to Lower Palaeozoic metasedimentary rocks exposed in the Tsodilo Hills region, some 65 km south of Shakawe, and extending to the Shakawe area. The succession is subdivided into two units: the Xaudum Group and the Tsodilo Hills Group. The Xaudum Group is younger than 1.02 Ga and is composed of meta-sandstone, meta-siltstone and carbonate rocks with chert. The Tsodilo Hills Group comprises ferruginous and micaceous quartzite, quart-mica schist, conglomerate, minor shale, phyllite, sandstone and ironstone. According to Wendorff (2005), this sequence is part of a regional succession deformed during the Pan African orogeny, also present in the Damara Belt of Namibia and the Katangan Supergroup in Zambia and the Democratic Republic of Congo.

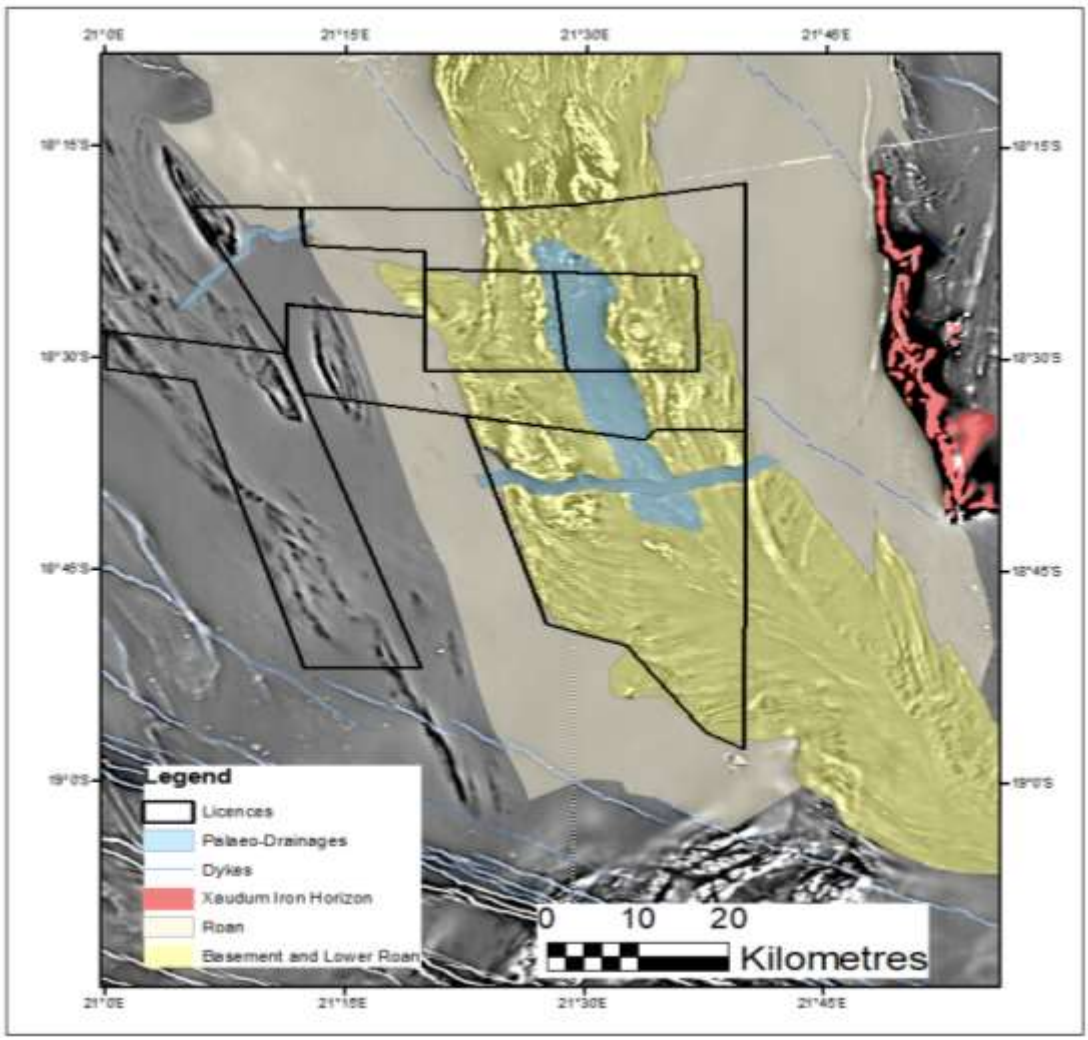
The Kavango Copper Project licenses are underlain by sedimentary cover rocks of the Cenozoic Kalahari Group, and contain no known outcrops of Proterozoic rocks. Based on recent drilling, the Kalahari cover in this area varies in thickness between 30 m and 120 m and is underlain by Proterozoic rocks. These rocks are viewed as prospective for hosting sediment-hosted copper deposits.

Previous work based on *inter alia* regional gravity data has investigated the potential for an extension of the Central African Copperbelt through eastern Angola and the Caprivi Strip of Namibia into north-western Botswana. This has included work by Sharad Master of the University of the Witwatersrand who describes the similarity between aeolian sandstones of the Andarra

Formation in the Caprivi Strip in Namibia with the basal Lower Roan sequence in Zambia. Further, the Xaudum Iron Horizon to the east of the Project area has been viewed as a correlative of the 'Grand Conglomerat' in the Central African Copperbelt.

It has been postulated that possible reduced units within this stratigraphic setting could potentially host copper mineralisation. Such sedimentary units would be expected to be represented by magnetically quiet signatures between magnetic "basement" rocks to the west and the Xaudum Iron Horizon to the east, the latter being the main focus of exploration by Gcwihaba. A geological interpretation developed by RTME is shown in Figure 7-5.

Figure 7-5
Simplified geological interpretation overlain on the first vertical derivative of the reduced to pole government airborne magnetic data



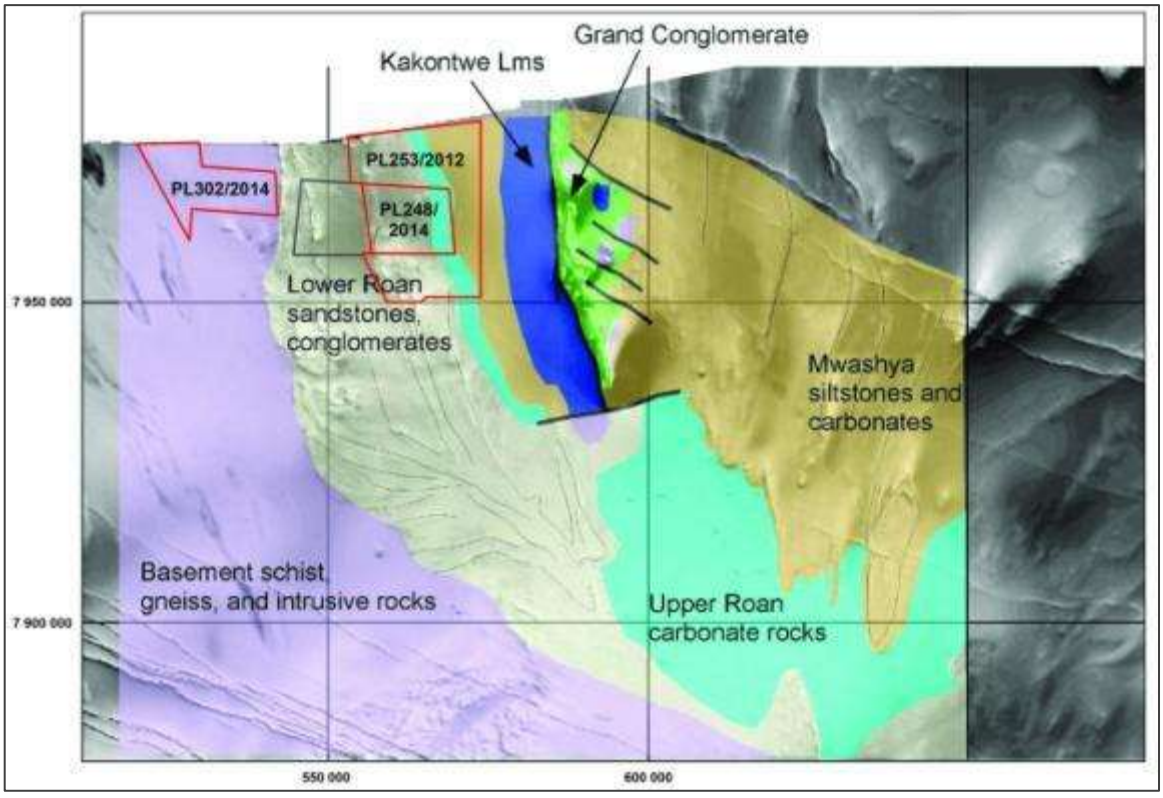
Source: RTME, 2016

Drilling of numerous diamond drillholes by Gcwihaba and FQM in the region has identified what they consider to be correlative rock types of the Katangan Supergroup in Zambia. The lithologies intersected in the drilling are documented in De Wit (2012) and comprise:

- Basement granite-gneiss and schists (dated at 2.6 Ga);
- Sandstones and conglomerates (not intersected but forming the Tsodilo Hills and interpreted as Lower Roan Group equivalents);
- Carbonate rocks with evaporite nodules (interpreted as Upper Roan Group);
- Graphitic black shales, phyllites and schists (containing disseminated stratabound pyrite, pyrrhotite and chalcopyrite in places and interpreted as Mwashya Subgroup);
- Iron formation and diamictites (interpreted as Grand Conglomerat and dated at 743 Ma);
- Massive limestones (interpreted as Kakontwe Formation "cap carbonate" equivalent).

A stratigraphic interpretation by Gcwihaba is shown in Figure 7-12.

Figure 7-6
Geological interpretation of northwest Botswana, showing the location of the Kavango Copper Project licences



Source: de Wit, 2012

As a follow up to the drilling described above, the following exploration approach was suggested by Jones (2104):

- Kilometre-scale drilling from deep geochemical sampling beneath Kalahari sand;
- Hydrochemistry sampling groundwaters;

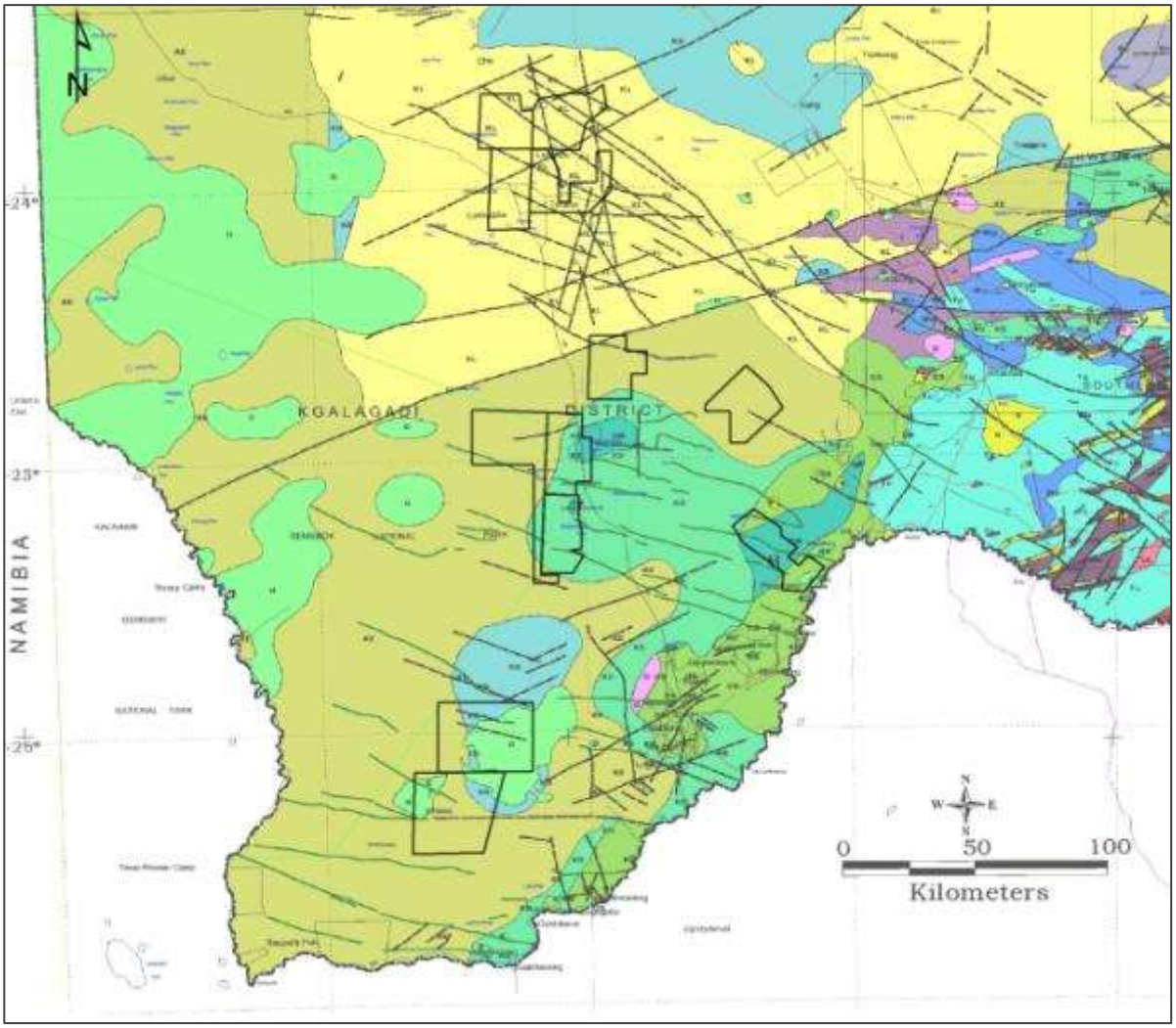
- Airborne gravity to map basement domes;
- Airborne electromagnetics to map graphitic shale units; and
- Drilling conceptual targets.

7.3 Regional Geology of KSZ Project

Knowledge of the regional geology of the KSZ 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 (see Section 6.2). The number of boreholes which are sufficiently deep and well enough documented to be geologically meaningful is however still very small with only 13 cored holes along 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.

An extract of the published geology map is shown in Figure 7-7 and the major tectonic elements of southwest Botswana are briefly described below.

Figure 7-7
Regional geology of the KSZ Project area with the location of the 12 PLs



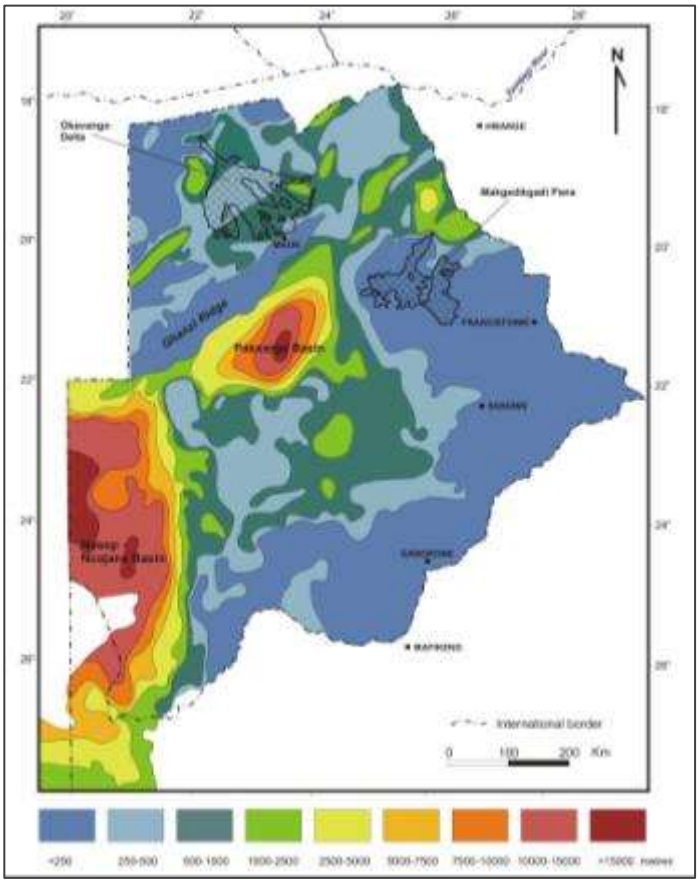
Source: The Pre-Kalahari Geological Map, Department of Geological Survey; Department of Mines, 1997

7.3.1 The Kaapvaal Craton

The area of southwest Botswana studied in this CPR has been perceived in the past as lying along the western margin of the Kaapvaal Archon / Craton even though rocks of Archean age are only confirmed far to the east in South Africa where granitic gneiss crop out in form of domes. The discovery of 2.93 Ga old granite in borehole Mabua-2 (Section 6.2.5), together with the PCIAC seismic results (Section 6.2.4), show however that the Craton extends over the whole of southwest Botswana. A compilation of the estimated depths to magnetic granitic gneiss basement is presented in Figure 7-8 highlighting several sub-Kalahari structural features. The deepest parts occur west of the KSZ (Nossop and Ncojane Basin) and south of the Ghanzi Ridge in the Passarge Basin.

The granitic gneiss in South Africa is overlain by Paleoproterozoic shelf sediments of the Transvaal Supergroup – an essentially marine shelf succession including major dolomite and ironstone units deposited between 2.6 Ga and 2.05 Ga. The presence of Witwatersrand Supergroup (>2.6 Ga) equivalent rocks underlying the Transvaal Supergroup was postulated but such rocks have not been proven to exist in the KSZ Project area.

Figure 7-8
Estimated depth to magnetic basement



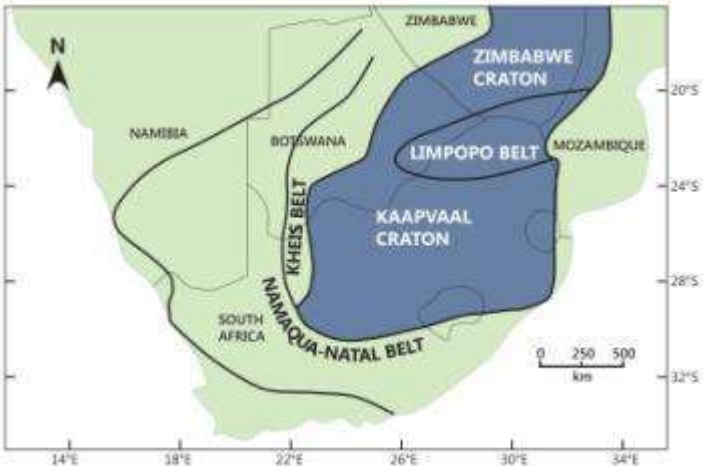
Source: Haddon, 2004 modified from Pretorius, 1984

7.3.2 The Kheis Orogen

The Transvaal Supergroup is affected by a north-south striking fold belt termed the Kheis Orogen. The Kheis Belt is at least 600 km long (Figure 7-9), well studied in the Northern Cape of South

Africa, and the area of intense deformation is some 100 km wide and features a number of large thrust faults with west to east translation.

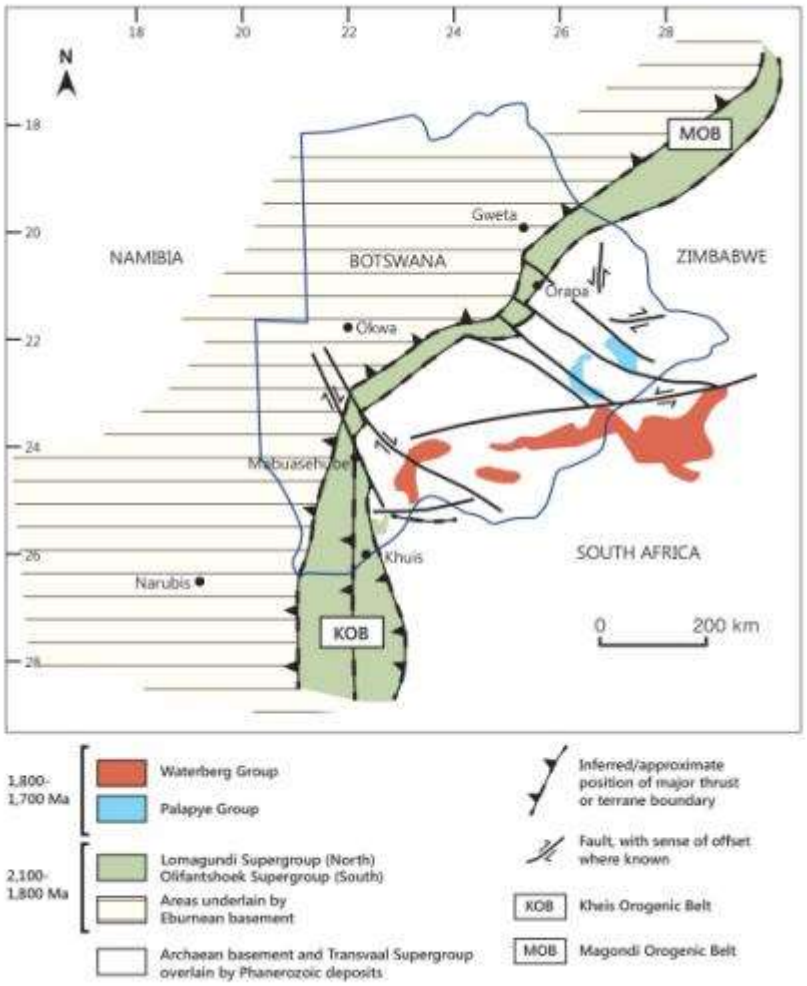
Figure 7-9
Position of Cratons and Orogenic Belts in Southern Africa



Source: ScienceDirect.com

Within the Kheis Belt, the Transvaal Supergroup is unconformably overlain by the Olifantshoek Supergroup. The latter is a clastic sequence of continental and shallow marine sediments including red beds. Its age of deposition is approximately 2.05 Ga to 1.80 Ga. The Olifantshoek Supergroup is the stratigraphic unit most affected by the Kheis event and forms intensely folded hills in South Africa and the hills around Tsabong and Omawaneno in Botswana. The Kheis orogeny is estimated to have taken place around 1.8 Ga and. The Kheis Belt is correlated with the Magondi Orogen of Zimbabwe (Figure 7-10). Together they comprise a Proterozoic collisional orogeny which accreted onto the western margin of the Kaapvaal Craton and the line of collision is marked by the Kalahari Suture Zone (Carney *et al.*, 1994).

Figure 7-10
Inferred extent of Kheis and Magondi Orogenic Belts and related Early Proterozoic tectonic lineaments



Source: modified from Carney et al., 1994;

The lack of exposure and boreholes make it difficult to assess the geology of the Kheis Belt in Botswana. However, by projection from outcrop areas in South Africa and interpretation of geophysical data two separate terrains can be distinguished. To the east is an over 100 km wide area in which numerous thrust faults have affected the Transvaal and Olifantshoek rocks without the development of a penetrative cleavage. The folded rocks in the Tsabong area are within this eastern Kheis terrain.

Key (1979) observed an increase in the intensity of deformation of the Olifantshoek quartzites as they are followed westwards along the Molopo River towards Khuis where the quartzites end abruptly, suggesting a major thrust.

The outcropping metasediments at Mabuasehube Pan likely correlate with the Transvaal Supergroup (Carney, 1989). The difference in deformation between the Mabuasehube outcrops (closely spaced fracture cleavage) and the equivalent rocks intersected in borehole CKP-5C (no obvious tectonic fabric), 25 km to the northeast, led Carney *et al*., (1994) to propose a "Kheis tectonic front", marking the limit of cleavage deformation passing between Mabuasehube and CKP-5C. It is proposed that this front is the continuation of the thrust fault at Khuis.

7.3.3 The Kalahari Suture Zone

This is a major magnetic discontinuity which passes through Botswana from the Molopo River in the south to Zimbabwe in the northeast. The KSZ is interpreted as the suture along which the Kheis-Magondi Orogen meets the Kaapvaal Craton.

In the south, the KSZ strikes north-south and has been followed by the rifting event which permitted the emplacement of the Tshane Complex. This section of the Suture Zone has been termed the "Kalahari Line".

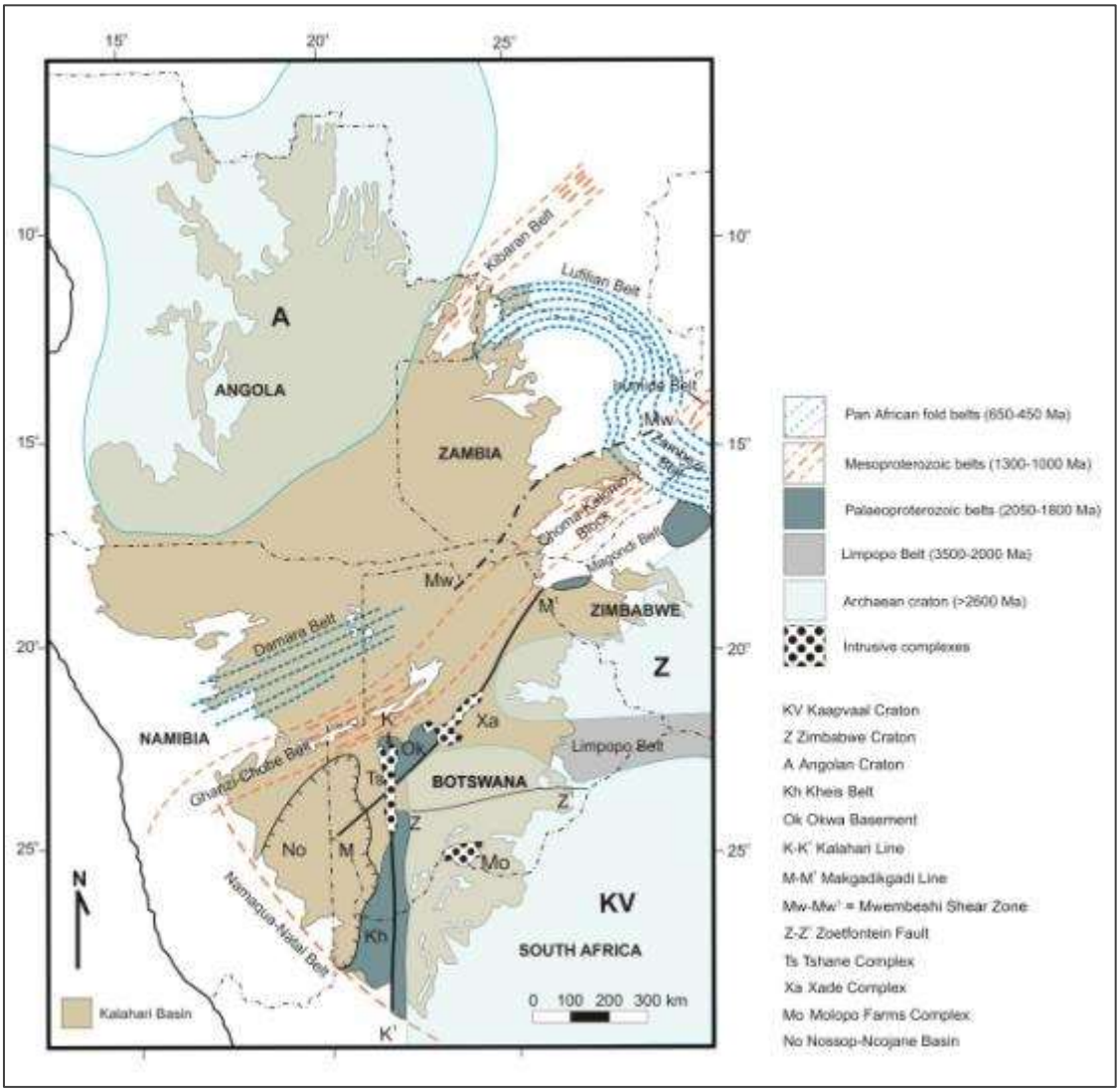
In the late middle Proterozoic (±1.1 Ga), intra-continental rifting developed within the Kheis Belt. This led to the development of a large sedimentary basin across southwest Botswana and Namibia, namely the Nossop Basin (Carney *et al.*, 1994). There is no evidence that rifting advanced to the stage of sea floor spreading. The eastern margin of the rift was intruded by the large volumes of mafic magma which formed the Tshane Complex.

A summary map with the main Precambrian structures in Botswana and neighbouring countries is shown in Figure 7-11.

7.3.4 The Zoetfontein Fault

The Zoetfontein fault is a major fracture zone and can be traced from the Limpopo Province of South Africa southwest across Botswana and ends against the KSZ at a latitude of 24° 18′ south. The fault is a significant magnetic continuity and can be shown to have been active until Kalahari Group times (Carney *et al.*, 1994).

Figure 7-11
Summary of main Precambrian structures in Botswana and neighbouring countries



Source: Haddon, 2004 after Reeves, 1978 and Carney et al., 1994

7.4 Stratigraphy

A stratigraphic column for southwest Botswana is presented in Table 7-1. The lithological units have been subdivided as far as it is useful for this CPR and episodes of igneous intrusions have been emphasised. The stratigraphic terminology is derived from Botswana, Namibia and South Africa.

7.4.1 Archean gneiss

Hydrothermally altered granitic gneiss was intersected in borehole Mabuasehube-2 ("Mabua-2") from a depth of 365 m to 525 m (EOH). This borehole was collared on a large gravity and magnetic low recognised by the national gravity survey (Section 6.2.5). Zircon U-Pb dating produced an age of 2,928 ±4 Ma (Kamo *et al.*, 1995) which is considerable older than the approximately 2,781 Ma determined from the Gaborone granite of eastern Botswana. Mabua-2 is the only proven intersection of Archean rocks in the wider KSZ area.

Gneissose granitic rocks beneath Karoo sediments have been reported from two Government water boreholes (BH 7163 and BH 3946; see Figure 6-2), 28 km northwest of Tsabong (Water Surveys Botswana, 1994). Their age is not known but a correlation with Mabua-2 is obviously possible. At the Tsabong locality the granites are clearly associated with rocks of the Olifantshoek Supergroup of the Kheis Belt and may be tectonically emplaced slices of Archean basement. They and the Mabua-2 rocks may correlate with Archean gneisses at the far southern end of the Kheis Belt in the Northern Cape of South Africa.

7.4.2 Transvaal Supergroup of the Kheis Belt

The main outcrop of the Paleoproterozoic Transvaal Supergroup is far to the east in South Africa where Transvaal sediments overlie Archean basement. Within the area of interest Transvaal rocks are found as allochthonous blocks within the 1.8 Ga old Kheis Belt (Carney *et al*., 1994).

Transvaal Supergroup rocks comprising a succession of quartzite, limestone, calc-arenite and calc-argillite have been intersected in several boreholes drilled in and around the Molopo Farms Complex some 100 km to the east of the KSZ where they form the contact-metamorphosed host / floor rocks to the latter intrusion (Reichhardt, 1994).

The mudstone, siltstone, calcareous sandstone, impure carbonates and quartzite at Mabuasehube Pan and boreholes CKP-5C have been correlated with the Transvaal sequence and might well be the host units into which bodies of the Tshane Complex were emplaced.

7.4.3 Olifantshoek Supergroup of the Kheis Belt

The most conspicuous rocks in southwest Botswana are the hard resistive quartzites of the Olifantshoek Supergroup which lies unconformably on rocks of the Transvaal Supergroup. Whereas the latter is essentially a marine succession, the Olifantshoek Supergroup consists mainly of coarse arenites, conglomerates and red beds. The arenites are considered to be of fluvial or shallow marine origin (Beukes, 1990). Thick grey, red and white quartzites of the Volop Group form the known outcrops at Makapong, Maralaleng, Tsabong and Khuis. Softer schistose members of the Olifantshoek succession are not exposed but were intersected at shallow depths in cored borehole PH 7 at Phepheng by Molopo Botswana (Pty) Ltd (1992).

Immediately west of Khuis, an irregular glaciated palaeosurface of Olifantshoek quartzites is overlain by Dwyka Group tillites. Examination of the quartzite exposures at Khuis led Key (1979) to postulate that a major thrust fault is present west of Khuis and it was proposed that the palaeotopographically controlled tillite – quartzite contact marks the position of this feature. Along this fault structure in South Africa the arenaceous rocks of the Volop Group are overlain by the Groblershoop Schist Formation comprising quartz sericite schist with intercalated lavas. The latter rocks are not exposed in Botswana but they are inferred to underlie the Karoo rocks to the west of Khuis. The schists have formed areas of negative relief on the pre-Karoo landscape, in contrast to the very resistive quartzites of the Volop Group.

The age of deposition of the Olifantshoek Supergroup is not well constrained but is probably between 2.05 Ga and 1.8 Ga. The deposition of the Olifantshoek Supergroup was followed by the Kheis orogenic event (Carney *et al*., 1994).

7.4.4 Okwa Basement and Okwa Group

In the Okwa area immediately north of the KSZ, a succession of porphyritic felsite, foliated granitoids and basic dykes is exposed in the Okwa Valley close to the Kang – Ghanzi road. The felsites are interpreted as acid metavolcanics which have been intruded by granitic rocks (Aldiss, 1987). The crystallisation of the later granites has been determined by zircon U-Pb method at 2.05 Ga.

A sequence of sedimentary and volcaniclastic rocks is exposed in fault-bounded blocks in the Okwa Valley which have lithological similarities with the Koras Group (1.15 – 1.05 Ga) in the Northern Cape of South Africa (Aldiss, 1987) which is interpreted as a post-tectonic succession deposited in small, rift-faulted basins (Stowe, 1983). The Okwa and Koras Groups appear to be time equivalents, were both deposited in fault-bounded basins and unconformably overlie the rocks of the Kheis Orogen. If the two Groups are indeed correlatives then similar rocks may be expected along the length of the KSZ. The age equivalence with the Tshane Complex gabbro and the deposition in an intra-continental rift setting suggests that the volcano-sedimentary Okwa and Koras Groups are products of the rifting episode which permitted the emplacement of the Tshane Complex.

7.4.5 The Tshane Complex

The Tshane Complex consists of several dyke-like bodies emplaced along an approximately 300 km long section of the Kalahari Line (Reeves, 1978). Interpretations of the airborne magnetic data indicate that the Tshane Complex is generally steeply dipping, has variable widths ranging from 7 km to over 20 km and may extend to considerable depths (Brett *et al.*, 2000). The magmatic bodies appear to have westerly dips.

A single borehole CKP-8C-1 penetrated through overlying Kalahari and Karoo Group sediments into 23 m of deuterically altered, medium- to coarse-grained gabbronorite, locally with cumulate texture (Hanson *et al.*, 2006). Samples from the CKP-8C-1 core have yielded a Rb-Sr date of 1,021 ±86 Ma (Key and Mapeo, 1999).

Molopo Botswana (1992) reported an olivine norite in borehole PH 7 at Phepheng, some 100 km to the east of the Tshane Complex, which is intrusive into rocks of the Olifantshoek Supergroup. Hornblende $^{40}Ar/^{39}Ar$ dating produced an age of 1,105 ±11 Ma which is close to the age of the Tshane Complex and considerable younger than the Molopo Farms Complex (±2.05 Ga, Molopo Botswana, 1992). Two further boreholes (PH 18 and PH 19) approximately 16 km west of Phepheng intersected strongly differentiated sills intrusive into the Transvaal succession and these sills are also suspected to be contemporaneous with the olivine norite in PH 7 and thus the Tshane Complex. It would therefore appear that gabbronoritic rocks of Tshane Complex age are relatively common in southwest Botswana and spatially not restricted to the north-south trend of the Kalahari Line.

7.4.6 Nama Group

Clastic sediments of the Nama Group (630 Ma – 540 Ma) are exposed in the Okwa Valley (Aldiss, 1987) and are certainly present in the Nossop Basin to the west. They are exposed to the west of

the KSZ in South Africa and it is probable that Nama rocks overlie the western portions of the Tshane Complex but their thickness is unknown.

Table 7-1
Stratigraphic column of southwest Botswana

Supergroup	Group	Formation	Lithology	Age
			aeolian sand	*Quaternary*
	KALAHARI		sand, sandstone, clay, gravel	*Tertiary*
Kimberlite				*Cretaceous (77 Ma)*
Dolerite dykes and sills				*Jurassic (±180 Ma)*
KAROO	LEPHEPHE		basalt	*183 - 180 Ma*
	LEBUNG	Ntane	aeolian sandstone	*Triassic*
		Mosolotsane	red mudstone	*Triassic*
	BEAUFORT	Kwetla	red and grey shale	*Triassic*
	ECCA	Auob	sandstone, shale	*Permian*
		Mukorob	shale	*Permian*
	DWYKA	Middlepits	siltstone, sandstone	*Upper Carboniferous - Permian*
		Khuis	diamictite, sandstone, shale	
		Malogong	tillite	
	NAMA	Beckhorn	sandstone	*? Cambrian*
Tshane, Xade, Tsetseng Complex			intermediate, mafic, ultramafic	*±1,071 Ma*
	KORAS / OKWA		sandstone, pyroclastic	*1,150 – 1,050 Ma*
	WILGENHOUTSDRIFT		lava, tuff, schist, conglomerate	*±1,340 Ma*
		Groblershoop	quartz-mica schist	*±1,760 Ma*
OKWA BASEMENT			felsite, granitic gneiss	*±2,050 Ma*
OLIFANTSHOEK	VOLOP		quartzite	*2,050 – 1,800 Ma*
TRANSVAAL	POSTMASBURG		quartzite, shale, BIF, dolomite	*2,600 – 2,050 Ma*
BASEMENT			granitic gneiss (e.g. Mabua-2)	*±2,928 Ma*

Source: modified from MPH (1996)

7.4.7 Karoo Supergroup

The generally flat lying Upper Carboniferous- to Jurassic-aged Karoo Supergroup forms the most significant cover in the KSZ Project area where the basaltic lavas (±180 Ma) of the Karoo Lephephe Group are absent or have been eroded.

To the south of Hukuntsi, the Karoo Supergroup is represented by the Dwyka Group succeeded by the Ecca and Beaufort Groups. The Dwyka Group comprises glaciogenic sediments of variable thicknesses, the latter being controlled by pre-Karoo topography and post-Karoo erosion. In southwest Botswana the Dwyka Group includes marine sediments (Carney *et al.*, 1994).

The Dwyka Group is followed unconformably by sandstone and carbonaceous shales of the Ecca Group and the Beaufort Group, represented mainly by red and grey argillites. In the northern part of the KSZ the Beaufort Group is overlain by the Lebung Group comprising red mudstones of the Mosolotsane Formation and the aeolian Ntane sandstone. The lack of boreholes on or next to the KSZ makes it difficult to determine the thicknesses of the individual Groups and in most cases only a minimum thickness or an estimate of the thickness can be given. The Dwyka Group has a thickness of up to 500 m, the Ecca Group up to 300 m, while the thicknesses of the Beaufort and

Lebung Groups range between 80 m and 100 m. The base of the Karoo sediments ranges from a depth of 57 m in CKP-5C to approximately 300 m in Mabua-2 and BH 7193, 420 m in BH 5637, 580 m in borehole 'Tsabong West' and 772 m in CKP-8C-1. Borehole CKP-8C-1 started in Beaufort Group, 'Tsabong West' in Ecca Group and the other four CKP boreholes started in Lower Ecca or Dwyka Group.

The Karoo sediments are extensively intruded by post-Karoo dolerite sills and dykes and the sills are particularly extensive to the north of Hukuntsi. Although intrusions occur at various horizons, and sills generally transgress stratigraphically to some extent, the contact between the Ecca and Beaufort Groups is often favoured. In boreholes CKP-5B and CKP-8A dolerites are intrusive into Dwyka tillite and Ecca sandstone, respectively. In general sills appear to reach a maximum thickness of approximately 200 m (MPH, 1996).

Two boreholes BH 7880 and BH 7838 drilled as part of the Matsheng groundwater investigation, to the south and north-east of Hukuntsi are recorded as ending in gabbro at depths of approximately 490 m, but it is uncertain if the latter ±60 m thick intrusive rocks are of post- or pre-Karoo age (MPH, 1996).

The pattern of Karoo outcrop in southern Namibia, the distribution of pre-Karoo inliers in Botswana and the preserved Karoo stratigraphy suggest an axis of post-Karoo uplift trending SW-NE from Aroab in Namibia to at least as far as Kokong in Botswana. The Mabuasehube inlier lies along this axis, as does the Archean basement intersected by Mabua-2.

7.4.8 Kalahari Group

The KSZ Project area is invariably overlain by sediments of the Cenozoic Kalahari Group and its blanket of aeolian sand. The Group typically consists of a succession of loose sand (±20 m), calcrete/silcrete (±8 m), poorly consolidated sandstone (±20 m), clayey sandstone (±30 m), red clay (±40 m) and gravel (±40 m). The red clay and basal gravel are restricted to palaeovalleys in the pre-Kalahari surface.

7.5 Property Geology

The Kalahari Group is generally thin along the KSZ possibly indicating Cenozoic or neo-tectonic control. The thicknesses observed in boreholes along the KSZ vary from 23 m (BH 7245) to 67 m in CKP-8C-1.

The Kalahari Group is frequently less than 20 m thick in the Mabuasehube area and only 13 m thick in CKP-5A-2 where brown, unconsolidated sand is underlain by agglomerate (volcanic vent breccia) to a depth of 252 m (EOH). The hole was drilled on a discrete, sub-circular magnetic anomaly (600 m by 800 m) and the intersected breccia has a high magnetic susceptibility throughout the length of the borehole. The rock is matrix-supported agglomerate consisting almost exclusively of ellipsoidal, cobble- to pebble-sized sub-rounded clasts of meta-basalt which dip steeply (70° to 50°) throughout the borehole (Figure 7-12). Clasts of high-grade schist and quartz-sandstone are rare and hematite and occasional pyrite occur both in clasts and matrix. Small specks of native copper have been reported in the matrix (Figure 7-12 C) and in fracture-filling quartzite veins near the bottom of the hole and several core samples with visible sulphides

were assayed with maximum values of 360 ppm Cu and 193 ppm Ni (Meixner and Peart, 1984). The absence of Karoo cover and the presence of clasts of possible Karoo sandstone indicate a post-Karoo emplacement for the volcanic vent, possibly of Stormberg (Lephephe) age as described by Du Toit (1954) and Svensen *et al.* (2006) from similar diatremes in South Africa. The native copper traces and other rare sulphides are presumably derived from volcanic or meta-sedimentary members of the Olifantshoek Group at depth (Meixner and Peart, 1984).

Figure 7-12
Volcanic breccia (agglomerate) with orientated clasts (B) and specks of native Cu (C) in CKP-5A-2

Source: MSA, 2017 and Kavango, 2017

Similar to the Kalahari Group the Karoo Supergroup is, with very rare exceptions (e.g. CKP-5A-2), present throughout the KSZ Project area with thicknesses ranging from 28 m (CKP-5C) to 700 m in borehole CKP-8C-1, which included two post-Karoo doleritic intervals with a combined width of 85 m. Figure 7-13 shows a typical sequence of siltstone and carbonaceous shale of the Ecca Group which contains isolated accumulations of iron sulphides.

Two thick intervals (16 m and 27 m) of disturbed and slumped material with occasional pyrite nodules and pyrite rims were intersected in the Ecca Group of borehole CKP-8A (Figure 7-14). The partly disturbed Karoo succession in CKP-8A is underlain by a fine-grained post-Karoo dolerite grading with depth into a medium-grained gabbronorite. The upper contact at a depth of 299 m appears to be chilled against a white to light-grey, bleached gritty sandstone (Figure 7-15) and two distinct intervals of sandstone occur at depths of 310 m to 311 m and 312.5 to 316.5 m within the dolerite. The latter intervals are interpreted to represent fragments from the overlying Karoo sediments which got detached during the intrusion of the sill. The gabbroic sill occurs between 299 m to 465 m (EOH).

Borehole CKP-8C-1 intersected 23 metres of medium- to coarse-grained mela-gabbro and pyroxenite (Figure 7-16) of the Tshane Complex below the basal diamictite of the Dwyka Group at a depth of 772 m to 795 m (EOH).

Figure 7-13
Ecca Group siltstone, minor arkose and carbonaceous shale and sulphide lenses (inset) in CKP-8C-1

Source: MSA, 2017

Figure 7-14
Slumping features and subhedral pyrite and pyrite rims (arrows in inset) in CKP-8A

Source: MSA, 2017

Figure 7-15
Chilled contact between dolerite and partly bleeched Dwyka siltstone (first three rows) in CKP-8A

Source: MSA, 2017

Figure 7-16
Medium- to coarse-grained mela-gabbro and pyroxenite (inset) of the Tshane Complex in CKP-8C-1

Source: MSA, 2017

Archean basement granitic gneiss was intersected in borehole Mabua-2 from a depth 365 m to 525 m (EOH). The basement rocks are separated from the overlying Dwyka diamictite by a fine-grained pre-Karoo dolerite which grades upwards into a medium- to coarse-grained gabbro. The basal Dwyka unit contains clasts and sub-rounded pebbles of the underlying pre-Karoo gabbro. The contact between basement gneiss and dolerite is faulted / sheared (Figure 7-17). The gabbro contains accessory sulphides (<1%) and occasional sulphide accumulations were observed in overlying Dwyka siltstone (Figure 7-18).

Figure 7-17
Faulted contact between pre-Karoo dolerite and underlying granitic gneiss basement in Mabua-2

Source: MSA, 2017

Figure 7-18
Dwyka tillite with sulphide accumulation in flaser-bedded siltstone (inset) in Mabua-2

Source: MSA, 2017

Borehole CKP-5C intersected a pre-Karoo medium-grained gabbroic body below Dwyka tillite from a depth of 57 m to 208.5 m. The gabbro contains accessory sulphides (<1%) and decreases in grain size towards the base and has a sub-ophitic chilled contact with the underlying cherty quartzite which contains a minor banded iron unit (Figure 7-19) followed by laminated shale to EOH at 262 m. The chert and the shale are interpreted to be part of the Transvaal Supergroup.

Figure 7-19
Gabbro with chilled margin (top row) and Transvaal chert with minor BIF (third row) in CKP-5C

Source: MSA, 2017

8 DEPOSIT TYPES

8.1 Kavango Copper Project

The primary mineral deposit type being explored for by Kavango is a Copperbelt-type sediment-hosted copper deposit typical of the metallogenic provinces in similar age rock sequences in the Democratic Republic of Congo, Zambia, and Namibia (Figure 7-4). Potential exists for Copperbelt-type mineralisation at multiple stratigraphic levels.

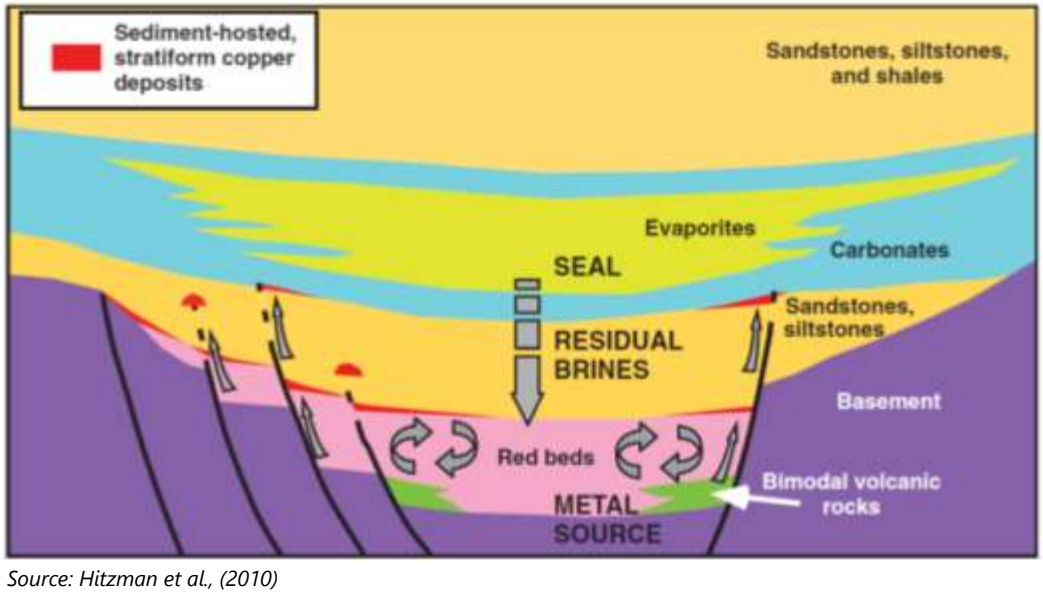
Based on previous work in northwest Botswana, notably by Gcwihaba and FQM, potential also exists for the following mineral deposit types:

- Iron oxide-copper-gold ("IOCG") (Kitumba-type) and Cu-Fe-Au skarn-type deposits associated with ~535 Ma (Hook Granitoid Suite age) intrusions;
- Carbonated-hosted zinc-lead±copper deposits (Kipushi, Kabwe, Tsumeb, Bamba-Kilenda type);
- Iron ore deposits (Xaudum Iron Formation type); and
- Uranium deposits associated with Proterozoic metasediments, palaeo-drainages and recent calcretes.

The sediment-hosted copper deposit model is relatively well understood with world-class examples hosted in Neoproterozoic meta-sedimentary sequences in central and southwestern Africa. A simplified interpreted correlation of these sequences and the stratigraphic location of the more important mineral deposits are shown in Figure 7-3.

The copper deposits in the Central African Copperbelt were generated from deep sources during north-directed thrusting and concomitant regional-scale fluid flow through basal red beds and basement rocks with metalliferous fluids migrating along pathways such as faults with precipitation of metals at chemical and structural traps within the overlying sedimentary sequence, particularly reduced horizons such as graphitic shales and carbonates (Jones, 2009). A schematic representation of this mineralisation model is shown in Figure 8-1.

Figure 8-1
Schematic illustration of the sediment-hosted copper deposit mineralisation model



Source: Hitzman et al., (2010)

Sediment-hosted copper deposits in the Central African Copperbelt have unique controls and characteristics. Key vectors for mineralisation include the following:

- Source rocks in the form of first cycle red beds derived from Basement;
- Controlling structure and fluid conduits;
- Chemical traps within the stratigraphic sequence, notably reduced units such as black shales. The lowermost reduced units within the sequence are particularly important;
- Physical traps such as Basement domes and capping dolomites;
- Alteration, which can be very constrained around mineralisation; and
- Proximity to Basement domes.

Similarities in the stratigraphy, structure and alteration between the Zambian Copperbelt and northwest Botswana have been recognised, principally resulting from recent exploration by Gcwihaba and FQM (Jones, 2014). The potential of the area is highlighted by the presence of key elements in the sediment-hosted copper model as highlighted by Jeffcoate *et al.* (2014):

- Similar macro-scale features such as basement dome structures and major faulting;
- Disharmonic and complex folding at a macro and micro-scale;
- Basin-scale alteration systems with significant brine metasomatism including kyanite alteration;
- Potassium metasomatism of basement lithologies;
- Halokinesis (salt evacuation driving deformation);
- The presence of mafic rocks as a metals and heat source;
- Significant intervals of reductants for mineralisation, such as graphitic shales; and
- Initial copper mineralisation intercepts, indicating the potential of the area to host a significant copper deposit.

8.2 KSZ Project

The KSZ Project targets magmatic Ni-Cu-PGE sulphides associated with the various known (and hitherto unknown) mafic and ultramafic intrusive pre- and post-Karoo bodies in or adjacent to the Suture Zone, a major orogenic fault structure. Semi-massive to massive sulphides tend to pool at the base of layered intrusives and within feeder dykes (Figure 8-2). Therefore the most favourable areas are where the cover over basement rocks is not too deep and where there is evidence that blocks of basement rock have been up-thrusted, up-faulted or up-domed like in the greater Mabuasehube area.

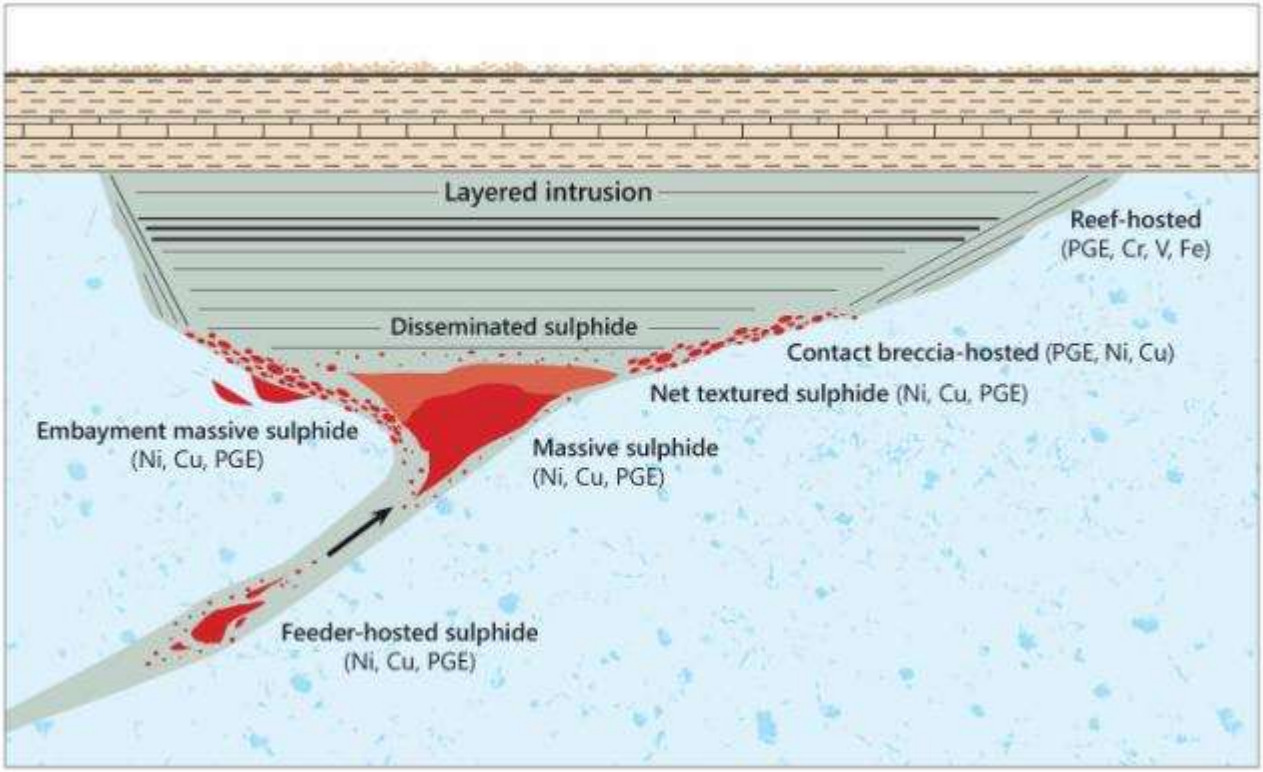
In analogy with the Ni-Cu-PGE mineralisation of the Karoo-aged Insizwa Sill Complex in South Africa (e.g. Lightfoot *et al.*, 1987), or the pre-Karoo aged Norilsk deposit in Siberia (e.g. Duzhikov *et al.*, 1992), the upper crustal strata in the KSZ area contain sulphur- and carbon-enriched lithologies. The latter rocks could provide the source of the latter elements for the magmas to assimilate during ascent and to trigger Ni-Cu-PGE sulphide segregation and accumulation. Hydrothermal and/or structural remobilisation and re-deposition of such, potentially deep-seated sulphides into shallower, low-pressure environments and lithological and structural traps may

enhance the prospectivity for Ni-Cu-PGE mineralisation in the KSZ. Canada's Voisey's Bay Ni-Cu-Co deposit is a further prime example where massive sulphide mineralisation occurs close to and within magmatic feeders and partly at the base of the intrusion as a result of segregation and concentration of sulphide droplets from a mafic or ultramafic magma (e.g. Naldrett, 1999).

Indirect evidence that the various gabbroic bodies along the KSZ have possibly undergone sulphur depletion is provided by a recent study by Prendergast (2015) on 10 core samples from five boreholes from the Kalahari Drilling Project. Based on the Cu/Pd ratio of the gabbroic rocks, Prendergast proposed that sulphides, after scavenging chalcophile elements from the silicate melt, might have been removed from the magma and were concentrated in a restricted locality.

The planned airborne EM survey is the most suitable geophysical technique to detect buried semi-massive to massive sulphide accumulations to depths of up to 500 m.

Figure 8-2
Schematic illustration of massive sulphide mineralisation at base and in feeder dyke



Source: modified from http://earthsci.org/mineral/mindep

9 EXPLORATION

Field work carried out by RTME on the Kavango Copper Project and by Kavango on both the Kavango Copper Project and the KSZ Project was guided by Standard Operating Procedures ("SOPs") specifically documented for both projects.

9.1 Kavango Copper Project

The Kavango exploration strategy is to explore for sediment-hosted copper deposits beneath relatively shallow Kalahari Group cover in northwest Botswana. The geological and mineralisation model is based on the interpreted extension of the stratigraphic sequence hosting the Central African Copperbelt through eastern Angola and Namibia into northwest Botswana (Section 7-1).

This strategy has guided the following exploration approach since 2012:

- Review of all available relevant historical information;
- "Orientation" soil geochemical survey lines to potentially detect mineralisation through Kalahari cover;
- Execution of geophysical surveys which are considered to play a key role in understanding geology beneath cover:
    - Airborne electromagnetic and magnetic surveys for geological and structural mapping;
    - Natural Source Audio Magneto Tellurics (NSAMT) surveys for mapping of structures, reduced stratigraphic units and basement domes;
    - Ground magnetic surveys for detailed geological and structural information;
- Diamond drill testing of identified targets.

9.1.1 Historical Data Review

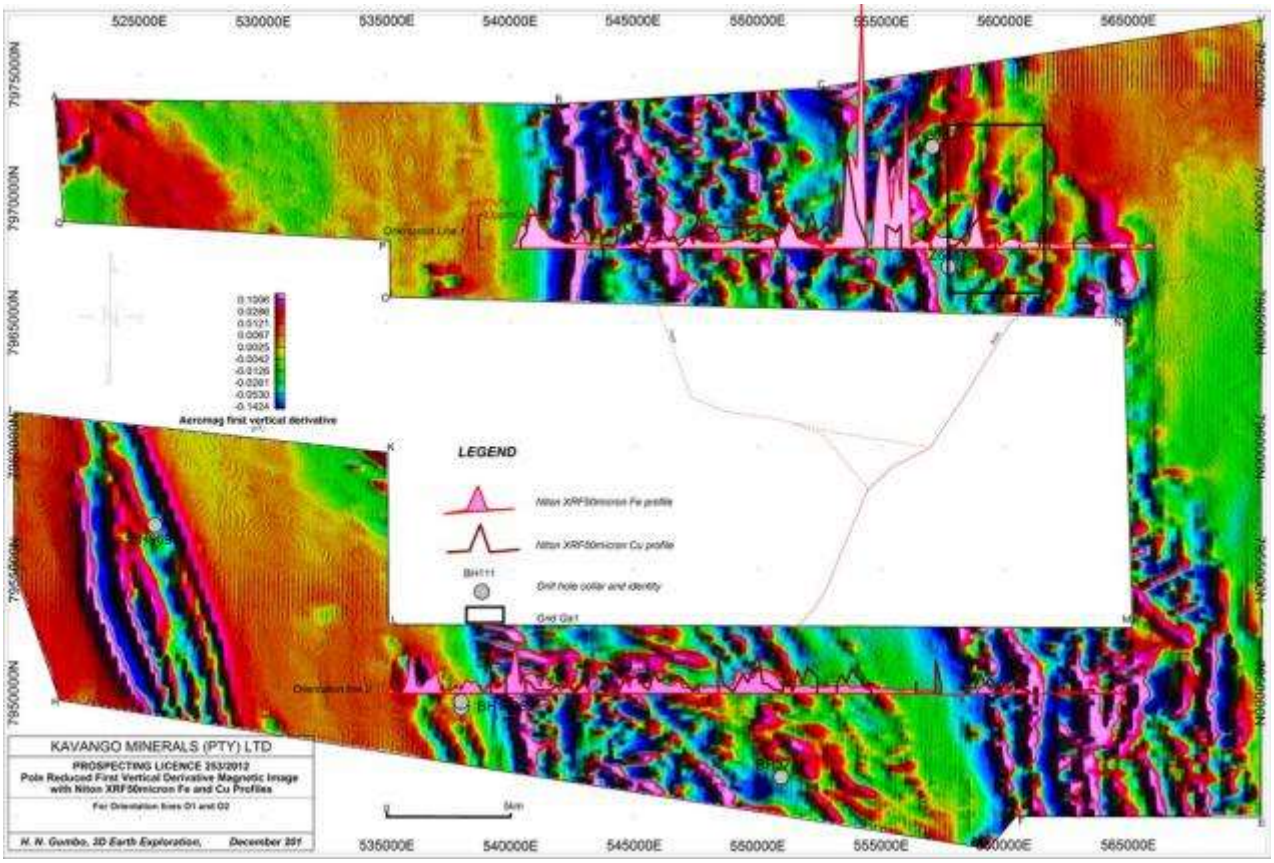
A review of the available historical information and water borehole data was conducted to assist in the understanding of the local geology and stratigraphy. This included a review by Kavango of information contained in progress reports from various companies who previously held PLs in the area. These records are available at the Botswana Geological Survey library.

9.1.2 Soil Geochemical Survey

Kavango conducted two "orientation" soil geochemical lines within the Kavango Copper Project area in 2016. The two lines partly cover PL253/2012 and PL248/2014 (Figure 9-1). Although there is no current knowledge of mineralisation within the PLs, the purpose of the orientation survey was to potentially fingerprint anomalies that may be generated through groundwater migration transporting metals sourced from buried geology through the Kalahari cover. A total of 3539 samples were collected with a line spacing ranging from 1 km to 5 km with 200 m station spacing, screened to -50 µm and analysed

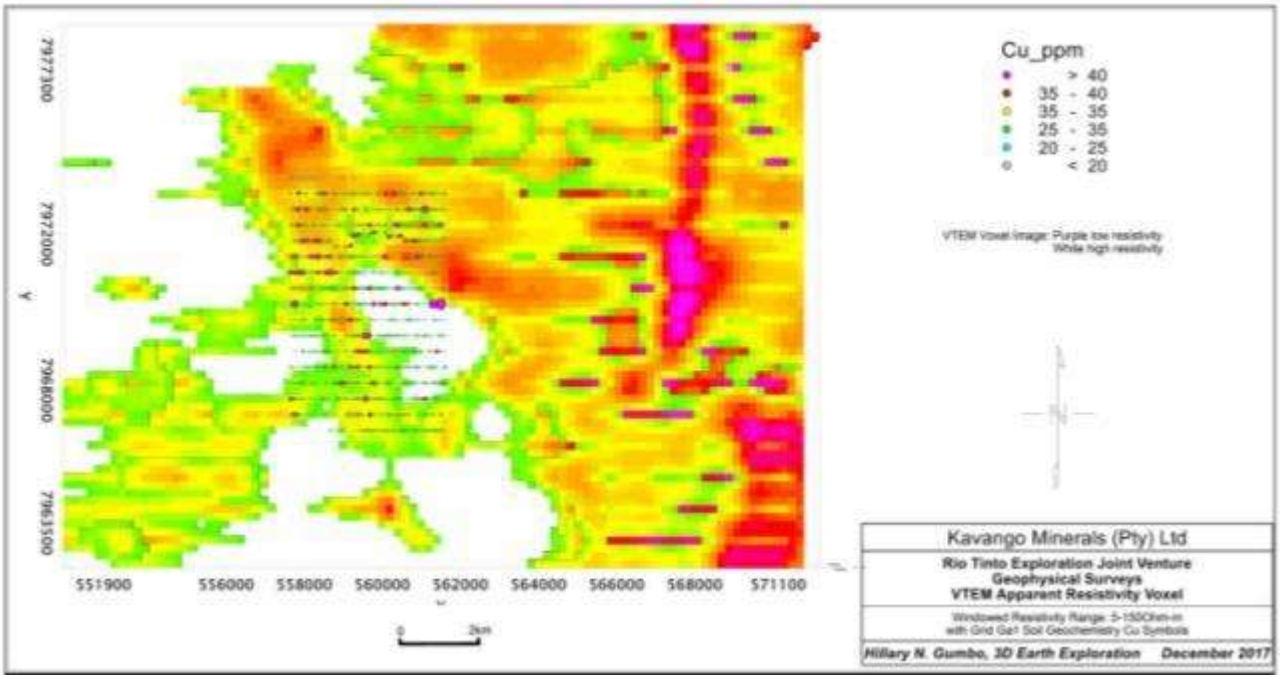
by portable Niton™ XL3t XRF Analyser. Elevated copper results were followed up with a detailed soil geochemical survey on a 400 m by 400 m grid, for a total of 694 samples. Figure 9-2 shows the results of the grid-based soil sampling overlain on VTEM imagery. Northwest-southeast to north-south trending zones of elevated copper are observed, conforming with the general stratigraphic trend as observed in the magnetic data. The anomalies are low level, possibly representing a diluted signature through the Kalahari cover, and should be investigated further to determine whether they relate to potential mineralised reduced stratigraphic horizons below cover.

Figure 9-1
Orientation soil geochemical lines sampled by Kavango overlain on magnetic imagery



Source: Kavango Minerals, 2017

Figure 9-2
Grid soil geochemistry conducted by Kavango overlain on VTEM imagery

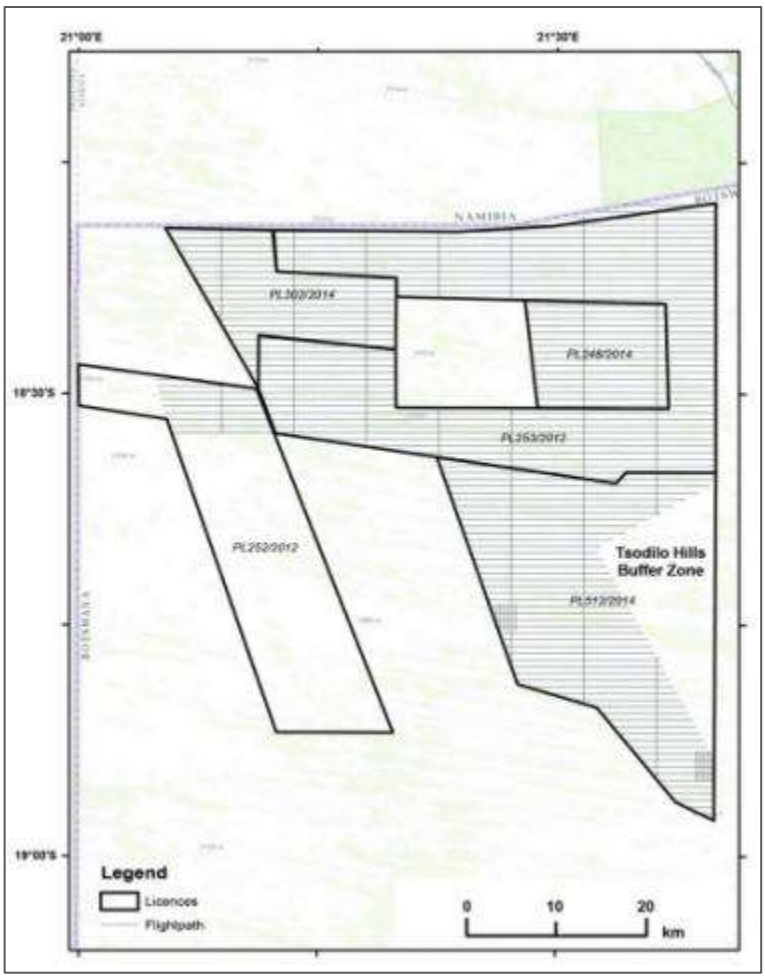


Source: Kavango Minerals, 2017

9.1.3 Airborne VTEM™ Geophysics Survey

In 2015, a Versatile Time Domain Electromagnetic ("VTEM™") airborne survey was flown across the five PLs comprising the original extent of the Kavango Copper Project area. Only a portion of PL 512/2014 was flown to avoid the Tsodilo Hills World Heritage Site Buffer Zone. The extent of the survey area is shown in Figure 9-3.

Figure 9-3
Coverage area of the VTEM™ survey



Source: RTME, 2016

The VTEM™ system, a proprietary system developed by Geotech Limited is an airborne electromagnetic ("EM") and magnetic system with a high-power transmitter and low noise receiver. The system collects data on the electrical and magnetic properties of rocks. Conductive material absorbs the induced current and releases a secondary field measured by the receiver.

The objective of the VTEM™ survey was to assist in mapping the distribution of possible reduced Proterozoic lithologies that could be potential hosts for copper mineralisation. The first reducing horizon above basement is of particular importance in the sediment-hosted copper model, hence the need to map basement as well as instances where basement comes near to surface but remains buried. The VTEM™ system was flown by Geotech Limited and was selected due to its high dipole moment and symmetrical transmitter–receiver transmitter layout.

The VTEM™ survey parameters are listed in Table 9-1. Two high-resolution cesium magnetometers, resolution 0.002 nT, with sampling interval of 0.1 seconds located 10 m above the transmitter loop were used to map lithology and structure of the subsurface (Vilanculos, 2016).

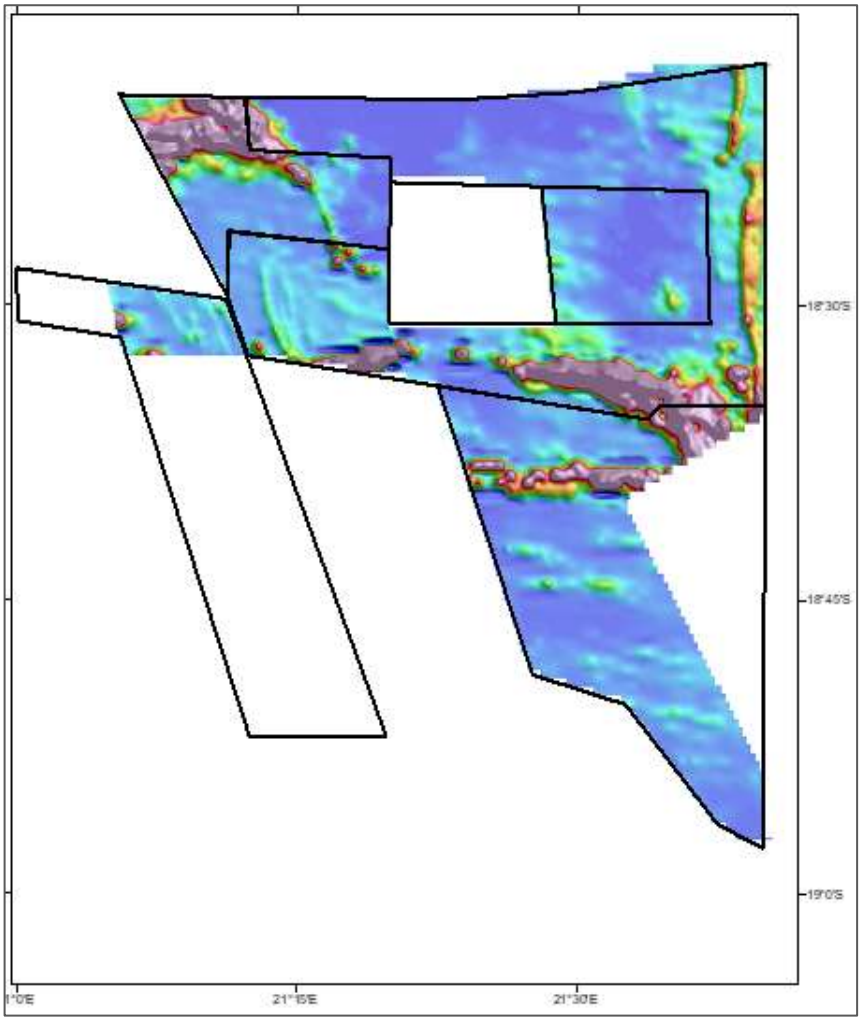
Table 9-1
VTEM™ survey parameters

Name	Description
Contractor	Geotech Limited
Platform	Eurocopter 350 B3, ZS-HTK
System	VTEM Plus
Tx Frequency	25Hz
Peak Current	190A
Peak Dipole Moment	403,503 nIA
Line Direction	East-West
Line Spacing	800 m
Tie Line Direction	North-South
Tie Line Spacing	8000 m
Line Kilometres	2,782 line km.
Survey Height	Helicopter: 73 m mean terrain clearance
TEM Receiver	42m mean terrain clearance

Source: Geotech Ltd, 2015

Results from the VTEM™ survey indicate that the early time data is dominated by a WNW-ESE trend which mimics the dune direction observed in the Kalahari sand cover. The mid- to late-time responses effectively map current and paleo-drainage systems, which have been shown to be conductive (Figure 9-4). The late-time responses are interpreted show a number of strong conductors which are interpreted to be in bedrock.

Figure 9-4
VTEM™ survey coverage: Channel 30 (0.880 msec)

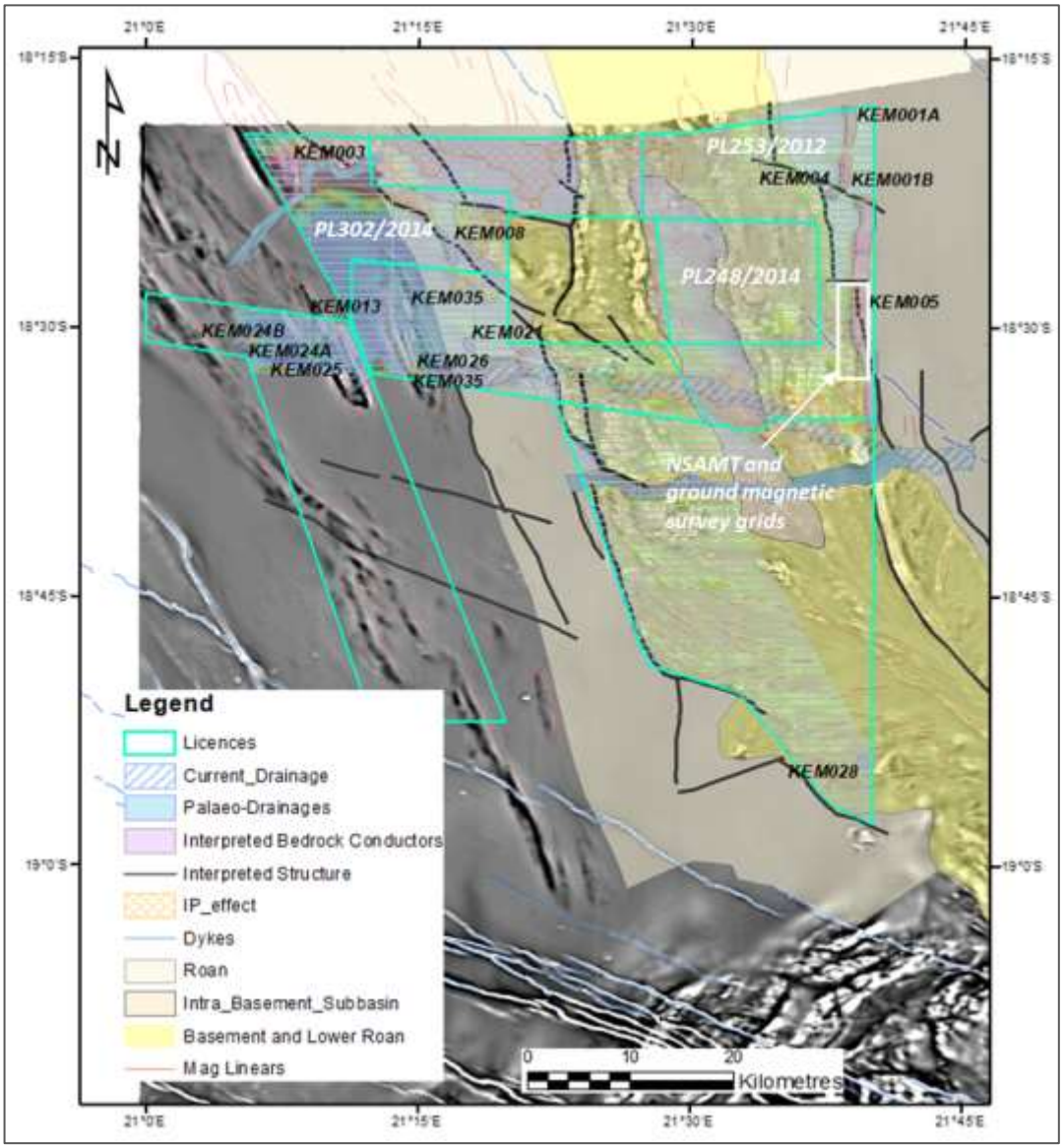


Source: RTME, 2017

The VTEM™ survey data was integrated with the publicly available aeromagnetic data from the Botswana Geological Survey and interpreted with a view of highlighting major structures and potential bedrock conductors that may represent reduced stratigraphic units. The interpretation, with identified conductors picked as anomalies, is shown in Figure 9-5. A number of anomalies were identified, with the principle anomalies of

interest (KEM001A; KEM001B and KEM005) located along a north-south striking conductor in the north-eastern corner of the survey within a magnetically quiet package interpreted as possible Roan Group equivalents between the magnetic "basement" and the Xaudum Iron Horizon. Inversion modelling of the data in the north-eastern corner of the survey was carried out by Aarhaus Geophysics. Anomaly KEM005 has been interpreted as a tightly folded syncline.

Figure 9-5
Geological interpretation of VTEM™ and aeromagnetic data, showing the location of interpreted bedrock conductors



Source: RTME, 2016

9.1.4 NSAMT and CSAMT Surveys

Natural Source Audio Magneto Tellurics ("NSAMT") can fulfil both lithological and mapping goals. It is a cost-effective way to target hidden basement highs and trace conductive stratigraphy at depth. Since the NSAMT method measures very low frequency it is very effective in mapping structures associated with stratigraphic, including basement, domes up to depths of 1 km. Sediment-hosted copper deposits are typically associated with reduced horizons which may be variably graphitic and thereby variably conductive and mappable by electromagnetics.

Two NSAMT survey lines were completed in April 2016 with the objective of confirming whether the identified high priority VTEM™ anomalies were caused by bedrock conductors. The survey was carried out by Greg Symons Geophysics using a Zonge GDP 3224 24-bit receiver as well as two ANT-6 coils to measure the conductivity of the subsurface. Data were mainly processed and modelled using Zonge proprietary software, with some additional processing using Geosoft Oasis Montaj.

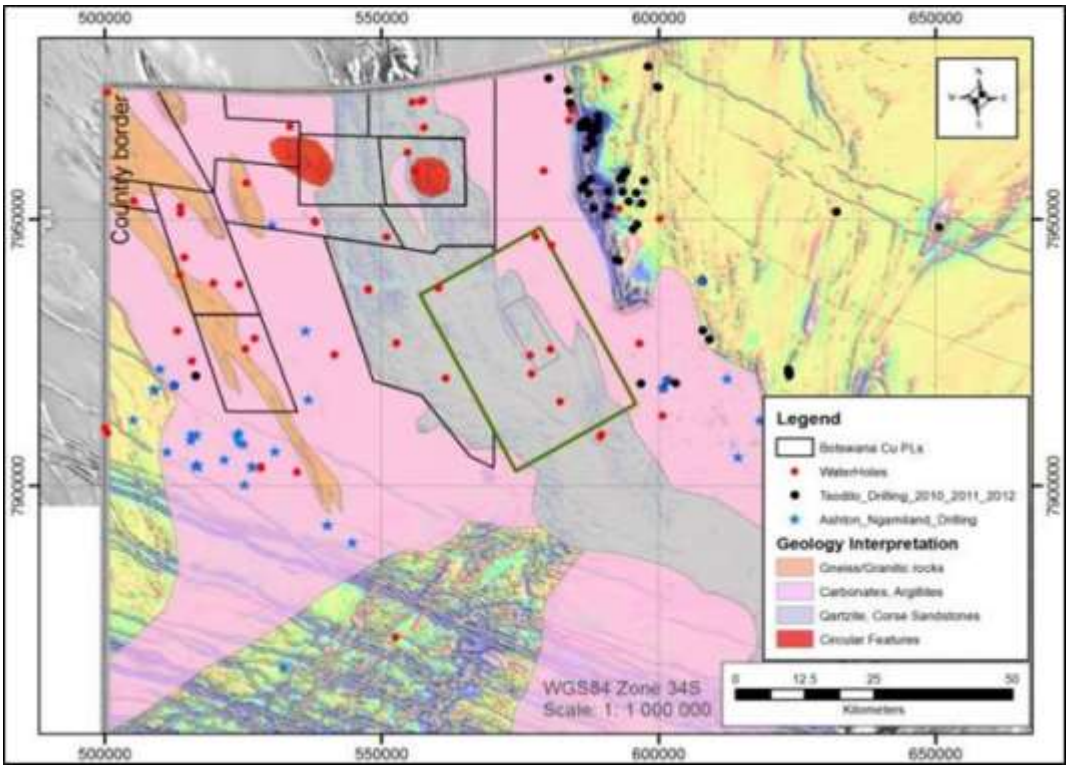
The aims of the NSAMT survey were to:

- Identify stratigraphic units and structures;
- Target concealed basement highs and conductive stratigraphy at depth;
- Identify locations for stratigraphic holes that could potentially intersect conductors (possible reduced horizons) closest to basement; and
- Determine the orientation of such units with a view to defining dill targets.

The two NSAMT lines covered the prominent north-south trending VTEM™ conductor in the north-eastern part of the area at 200 m station spacing for a total distance of 54 km. The NSAMT results provided a more detailed definition of the conductor. The results of a preliminary geological interpretation using geophysics and historical drillholes (water borehole records; Gcwihaba drillholes and Ashton Ngamiland drillholes) are shown in Figure 9-6.

Three main domains are distinguished in the interpretation and are dominated by granitic gneisses, carbonates/argillites and quartzites/sandstones. Further work is necessary in order to substantiate this interpretation. Preliminary age dating by the University of Botswana fixes the maximum age of the siliciclastic rocks at 1,020 Ma, suggesting that they could be part of the Ghanzi-Chobe Supergroup.

Figure 9-6
Preliminary geological interpretation based on geophysics and historical drilling data



Source: RTME, 2016

An infill NSAMT survey was completed over the KEM005 anomaly in April 2016, for the purpose of further delineating the conductor and to assist in identifying a drill target/s. The location of the NSAMT grid is shown in Figure 9-5. The survey comprised eight east-west lines at 250 m spacing for a total of 21 line-kilometres, parallel to one of the two regional NSAMT lines.

In addition, a 14 km long Controlled Source Audio Magneto Tellurics ("CSAMT") survey was done in 2016 by 3D Earth Exploration in two segments along orientation line 1 running along 7968000N: Segment 1 is from 540000E to 540300E done initially at 25 m and then at 50 m dipole. Segment 1 is from 550000E to 561000E done at 50 m dipole with stations at 50 m interval. 3D Earth Exploration ("3D Earth") is a Botswana-based geophysical consulting and contracting company owned and managed by Mr Hillary Gumbo who is one of the Directors of Kavango.

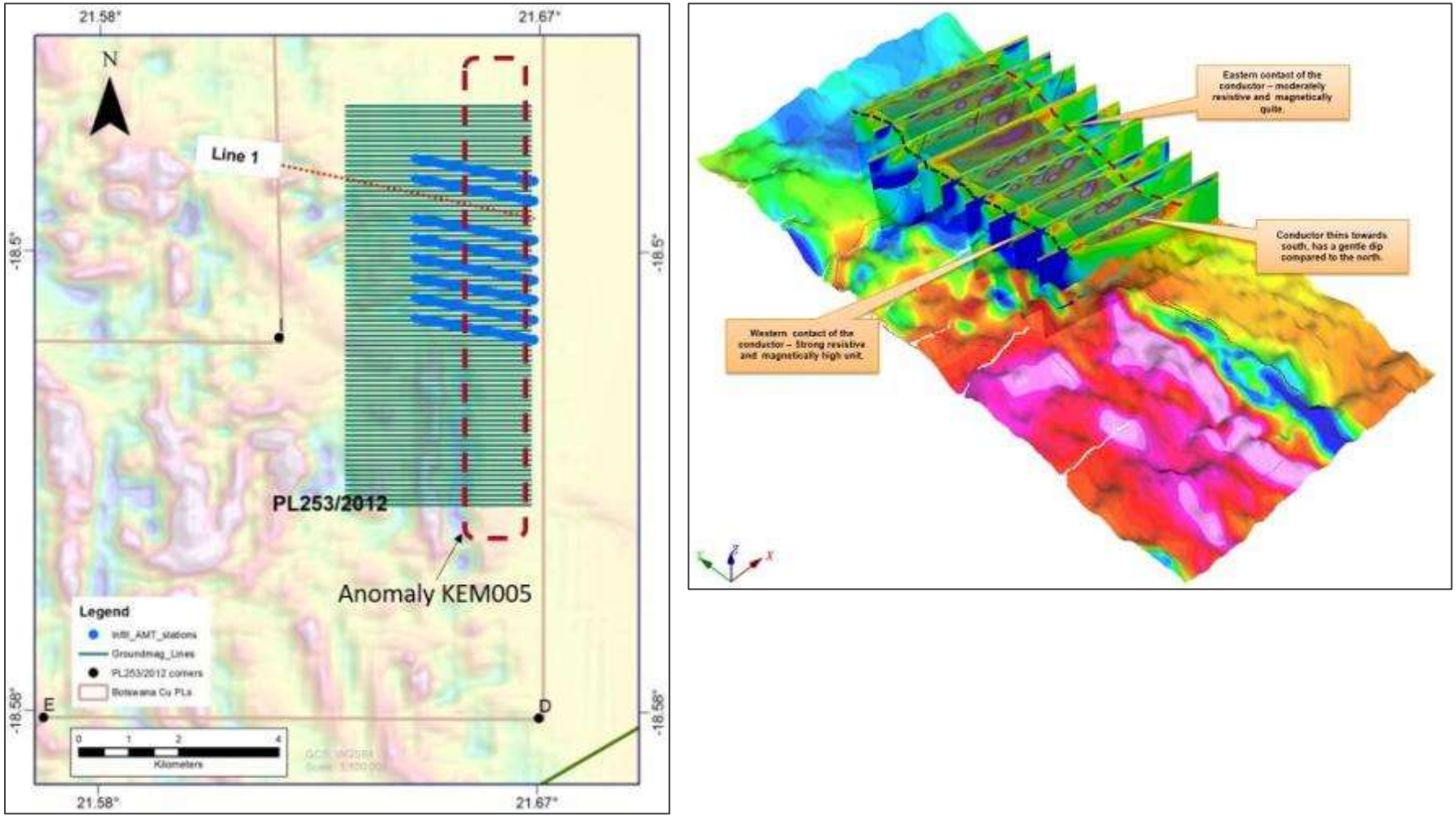
9.1.5 Ground Magnetic Survey

A ground magnetic survey was conducted by RTME in September 2016 over anomaly KEM005 within PL535/2012. The location of the survey is shown in Figure 9-5. The objective of the survey was to map any structural disturbance along a prominent VTEM™

anomaly and to identify possible drill targets. The “walkmag” survey comprised 81 east-west lines at 100 m spacing for a total of 255 line kilometres.

Figure 9-7 shows the integrated Reduced to Pole First Vertical Derivative (“RTP VD1”) of the ground magnetic data and the NSAMT model indicating resistive and magnetic units.

Figure 9-7
Ground magnetic survey and infill NSAMT survey over anomaly KEM005, with the integrated RTP VD1 magnetics and NSAMT model showing the eastern and western contacts of the conductor



Source: RTME, 2017

9.2 Exploration KSZ Project

Exploration in the KSZ area 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 Licenses in 2012, Kavango covered all PLs with reconnaissance and in-fill geochemical soil sampling programmes complemented by ground magnetic and/or CSAMT surveys on five of the seven PLs.

A combination of ground geophysics and regional soil sampling was subsequently employed on two of five PLs acquired in 2014 and 2016. These methods are however not suitable to detect deeper-seated disseminated or massive sulphides which prompted Kavango to consider a helicopter-based electromagnetic ("EM") survey over the entire KSZ tenure area.

A summary of the surveys conducted in the KSZ licenses is shown in Table 9-2 and the technical aspects and results of the individual surveys are briefly presented and discussed in the following sub-sections. No field work has been carried out to date on the three licenses PL155/2016 to PL157/2016.

Table 9-2
Summary of geophysical and geochemical surveys in the PLs of the KSZ Project

Prospecting License ID	Ground magnetic survey (line km)	CSAMT (line km)	Regional soil sampling (number of Niton samples)	Follow-up soil sampling (number of Niton samples)	Detailed soil sampling (number of Niton samples)	Soil samples to independent laboratory
PL163/2012	-	17.95	3,121	1,195	-	-
PL164/2012	135.80	2.00	3,309	-	-	-
PL165/2012	-	-	2,501	172	-	-
PL166/2012	-	-	2,161	1,047	-	-
PL167/2012	261.00	-	3,164	1,311	-	-
PL168/2012	-	5.05	2,671	1,372	-	-
PL169/2012	194.40	6.20	2,792	392	532	108
PL509/2014	82.65	21.65	1,207	-	-	-
PL510/2014	-	-	1,841	-	-	-
PL155/2016	-	-	-	-	-	-
PL156/2016	-	-	-	-	-	-
PL157/2016	-	-	-	-	-	-
TOTAL	**673.85**	**52.85**	**22,767**	**5,489**	**532**	**108**

Source: Kavango, 2017

9.2.1 Geochemical soil sampling

Traditional soil sampling techniques to detect precious and base metal mineralisation are invariably unreliable under thick (>20 m) covers of poorly consolidated and partly transported (aeolian) sandy material with only a minor clay component. Kavango therefore developed a sampling method whereby only the smallest particle size fraction (-50 µm) is collected by removing the bulk of the coarser sand fraction (50 µm to 1,000 µm).

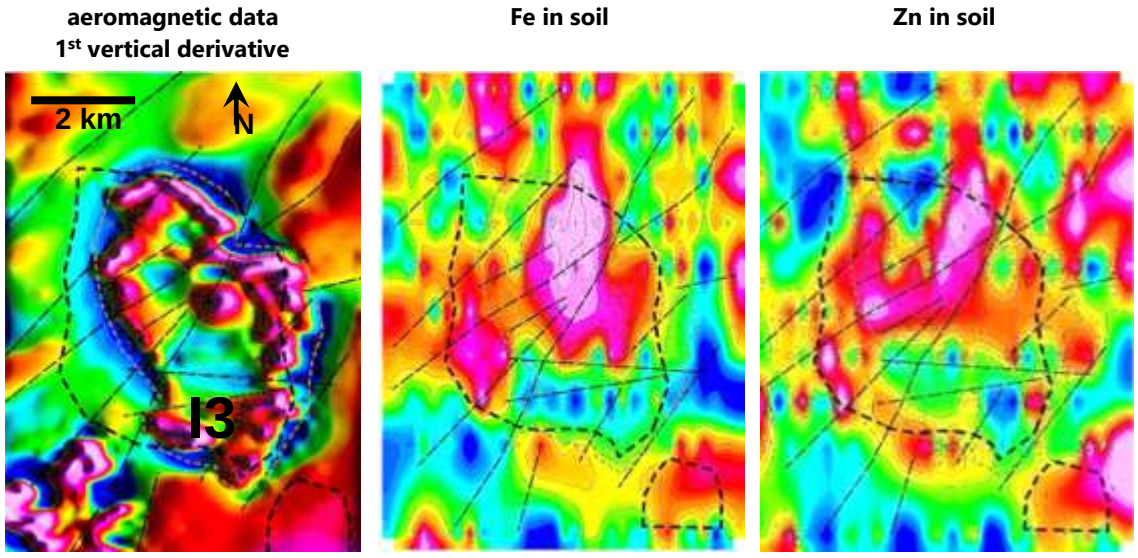
After brushing off the loose windblown sand and organic material, the sampling teams collect five full plastic shovels (3-5 kg) of the underlying brownish-coloured soil within a radius of up to 50 m from each pre-determined sample point. Each sample is then sieved in the field to -500 µm followed by further sieving with a 50 µm screen to obtain at least 100 g of the -50 µm fraction. This fraction is analysed using a portable Niton™ XL3t XRF Analyser and the resulting base metal

concentrations together with the sample coordinates, determined by handheld GPS, are downloaded to a field laptop and regularly emailed as MS Excel files to the project geologist. Soil type and colour, proximity to outcrop or dry pans are also recorded and captured in the Excel files. The samples are kept in sealed and individually numbered plastic bags and securely stored for future reference.

Soil sampling traverses were selected and prioritised on the presence of magnetic anomalies interpreted from the high-resolution aeromagnetic data. The initial 'regional' sampling covered a broad selection of magnetic and/or gravity anomalies and was conducted on a grid basis with a line spacing ranging from 2 km to 5 km and a 200 m station spacing along each line.

Interesting regional anomalies were followed up in six PLs with 1 km spaced lines and 200 m station spacing. The 'Ditau camp' anomaly in PL169/2012 emerged as one of the priority areas and was in-fill sampled at a 400 m line and 100 m station spacing. Figure 9-8 shows a sub-circular magnetic anomaly and the corresponding soil sampling results for Fe and Zn for the 'Ditau I3' anomaly. This feature is approximately 70 km east of the KSZ and has been interpreted by Kavango to represent a mafic, potentially layered intrusion below relatively thin (<20 m) Kalahari cover. Kavango plans to prioritise PL169/2012 in the planned airborne EM survey and to drill-test the 'Ditau I3' anomaly after appropriate ground-truthing has been completed.

Figure 9-8
Soil sampling results for 'Ditau I3' sub-circular magnetic anomaly in PL169/2012



Source: Kavango, 2017; for geographic position of I3 anomaly see ***Error! Reference source not found.***

It must be noted that the concentration levels of other base metals e.g. Ni, Cu and Pb in the sampled material are generally too low and too close to the detection limits of the Niton™ XL3t to produce reliable and repeatable results.

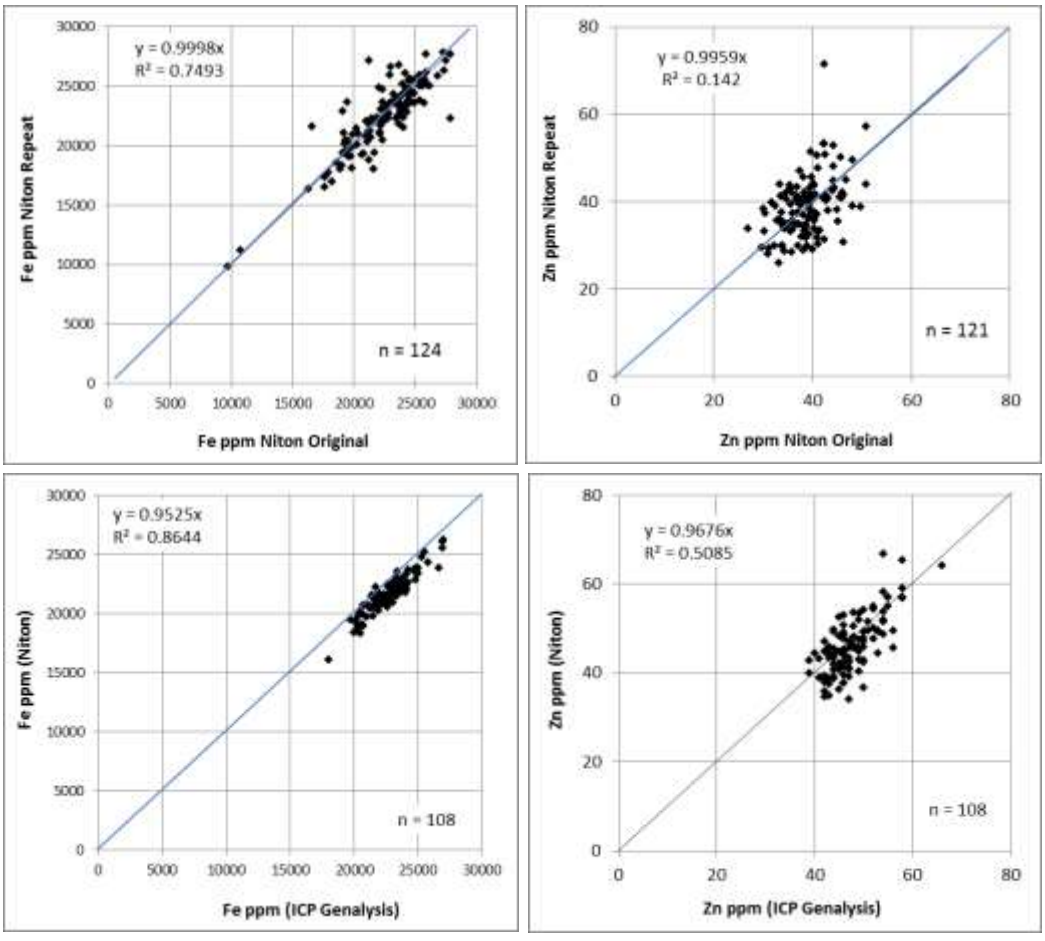
Kavango collected and analysed a grand total of approximately 28,800 soil samples from nine of the 12 PLs comprising the KSZ Project area (Table 9-2). Base metals other than Fe, Mn and Zn do not show elevated levels of concentration in the vast majority of the Niton™ data. This could be due to analytical limitations, prohibitive thicknesses of

Kalahari and Karoo cover or the absence of lithologies sufficiently enriched in the targeted base metals.

The total of ±28,800 soil samples includes approximately 1,300 repeat results analysed on the -50 µm fraction after splitting the sieved material into two sub-samples. An example of the repeatability (i.e. precision) of Fe and Zn for 124 sample pairs is shown in Figure 9-9 together with a comparison with the inductively coupled plasma ("ICP") results from Genalysis in Perth, Australia, an independent commercial laboratory, to determine the accuracy of the Niton™ data.

The repeat results for Fe and Zn show a considerable scatter which is also reflected by a relatively low correlation coefficient R^2 of 0.75 for Fe and a very low R^2 value of 0.14 for Zn. The comparison of the Niton™ data with the assay results from Genalysis shows a systematic under-reporting for Fe in the Niton™ data but with an acceptable R^2 of 0.86, while the level of accuracy for Zn is moderate with a relatively low R^2 of 0.51. Overall the Niton™ results for Fe and Zn should be considered as semi-quantitative.

Figure 9-9
Example of repeatability of Niton Fe and Zn analyses and comparison with Genalysis ICP results



Source: MSA, 2017

It should also be noted that elevated Fe and Zn concentrations in soil are not diagnostic for a particular rock type and could be caused by underlying Kalahari or Karoo clay-rich units, Transvaal or Olifantshoek shales and/or Fe-enriched metamorphic schists, or any mafic magmatic rock.

9.2.2 Ground magnetic survey

In order to validate and refine the results from the aeromagnetic survey, Kavango conducted ground magnetic surveys in four of the 12 PL areas (Table 9-2). The surveys covered a wide range of magnetic anomalies interpreted from the aeromagnetic data set and was conducted over the soil sampling grids in four license areas.

The surveys were carried out with G856AX proton precession magnetometers manufactured by Geometrics Inc. of USA. One magnetometer was placed as a base station in a magnetically quiet area to record magnetic field variation and subsequently correct for the diurnal shift. This was done on a daily basis using MagMap™ 2000 software.

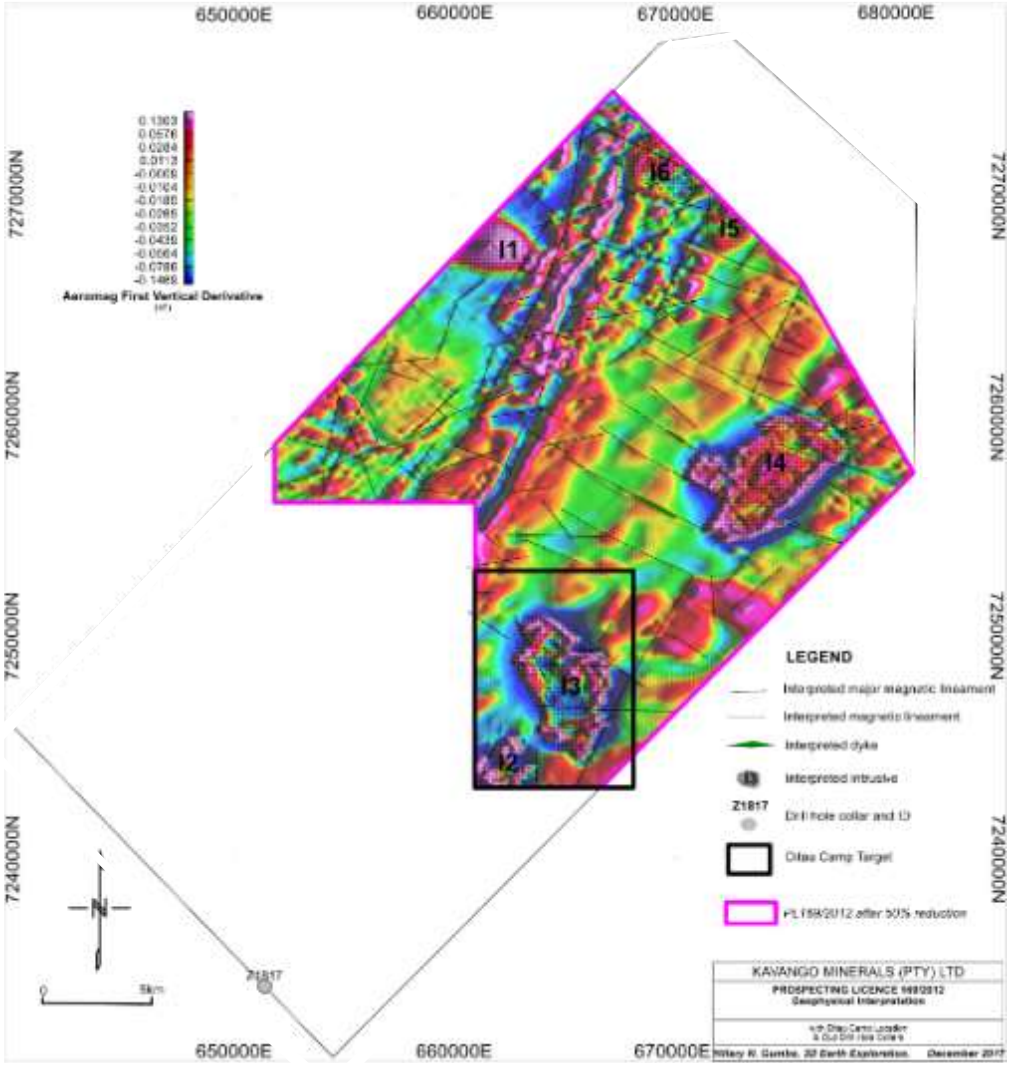
Survey lines were either 400 m or 1,000 m apart and the stations were recorded at 12.5 m or 25 m intervals. Lines and stations were individually located and captured with a handheld GPS. The magnetic data and GPS readings were downloaded into MS Excel files and quality checked in the field before the combined data was emailed to Kavango's Senior Geophysicist for final quality control, processing and interpretation.

Examples of Kavango's interpretation of the aeromagnetic survey data (shown as 1st vertical derivative) over three of the 12 PLs are presented in Figure 9-10 to Figure 9-12. Figure 9-11 includes an area which Kavango has covered with a ground magnetic survey.

Figure 9-11 and Figure 9-12 also show gravity anomalies which were interpreted by Kavango from processed data of the national Bouguer gravity grid. The magnetically complex nature of the KSZ and adjacent areas is clearly demonstrated in Figure 9-10 to Figure 9-12 and indicates the presence of several magnetic bodies. The majority of these features have been interpreted by Kavango to be caused by mafic to ultramafic intrusions which form the basis of the current and future exploration strategy for Ni-Cu-PGE mineralisation.

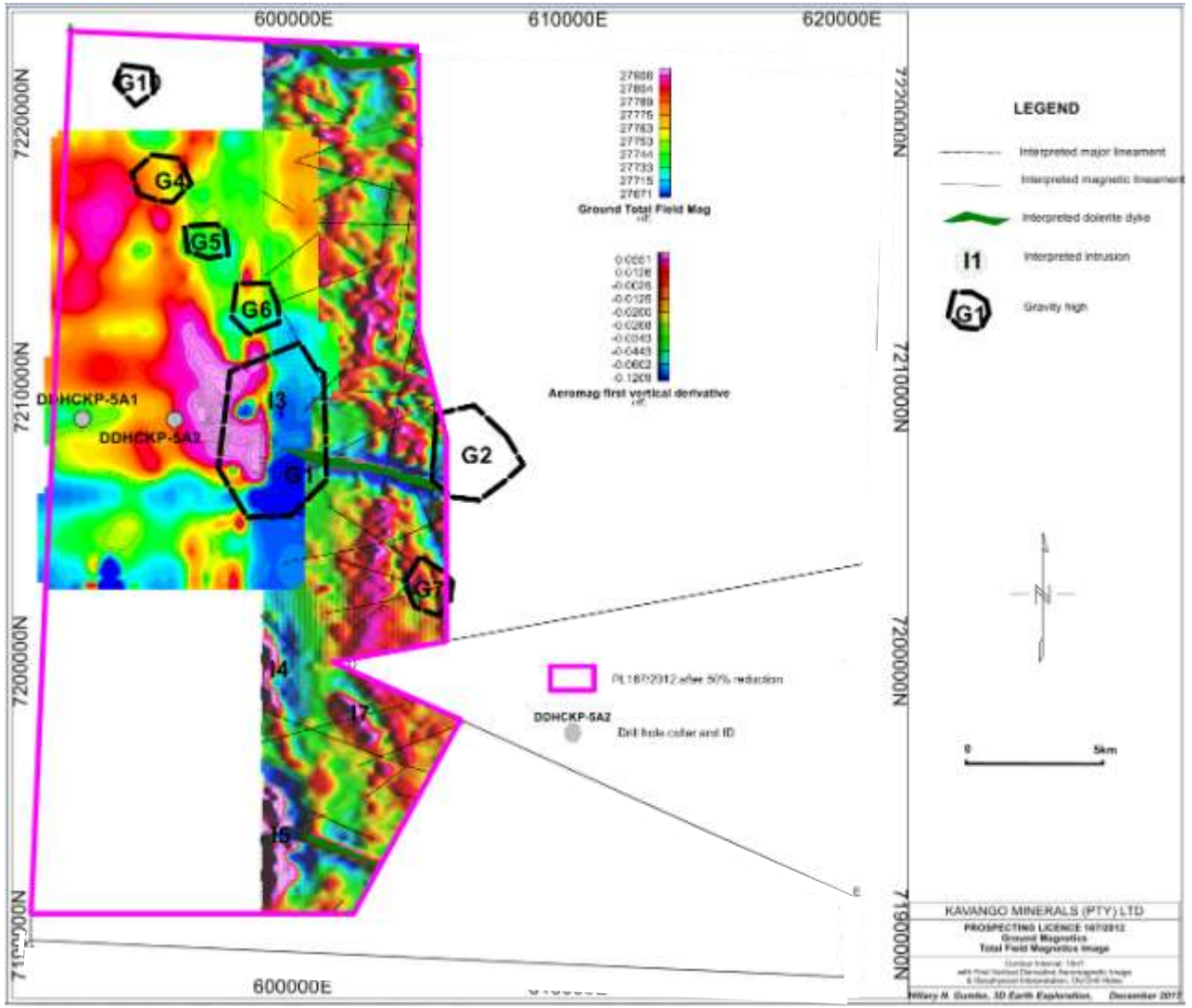
Magnetic surveys are however not suitable to detect deeper-seated disseminated or massive sulphides which prompted Kavango to conduct CSAMT surveys in five of the 12 licenses. CSAMT is a reasonably cost-effective, although time-consuming method to target hidden basement highs and conductive stratigraphy at depths of 5 m to over 500 m.

Figure 9-10
Interpretation of aeromagnetic data of the Ditau Camp area in PL169/2012



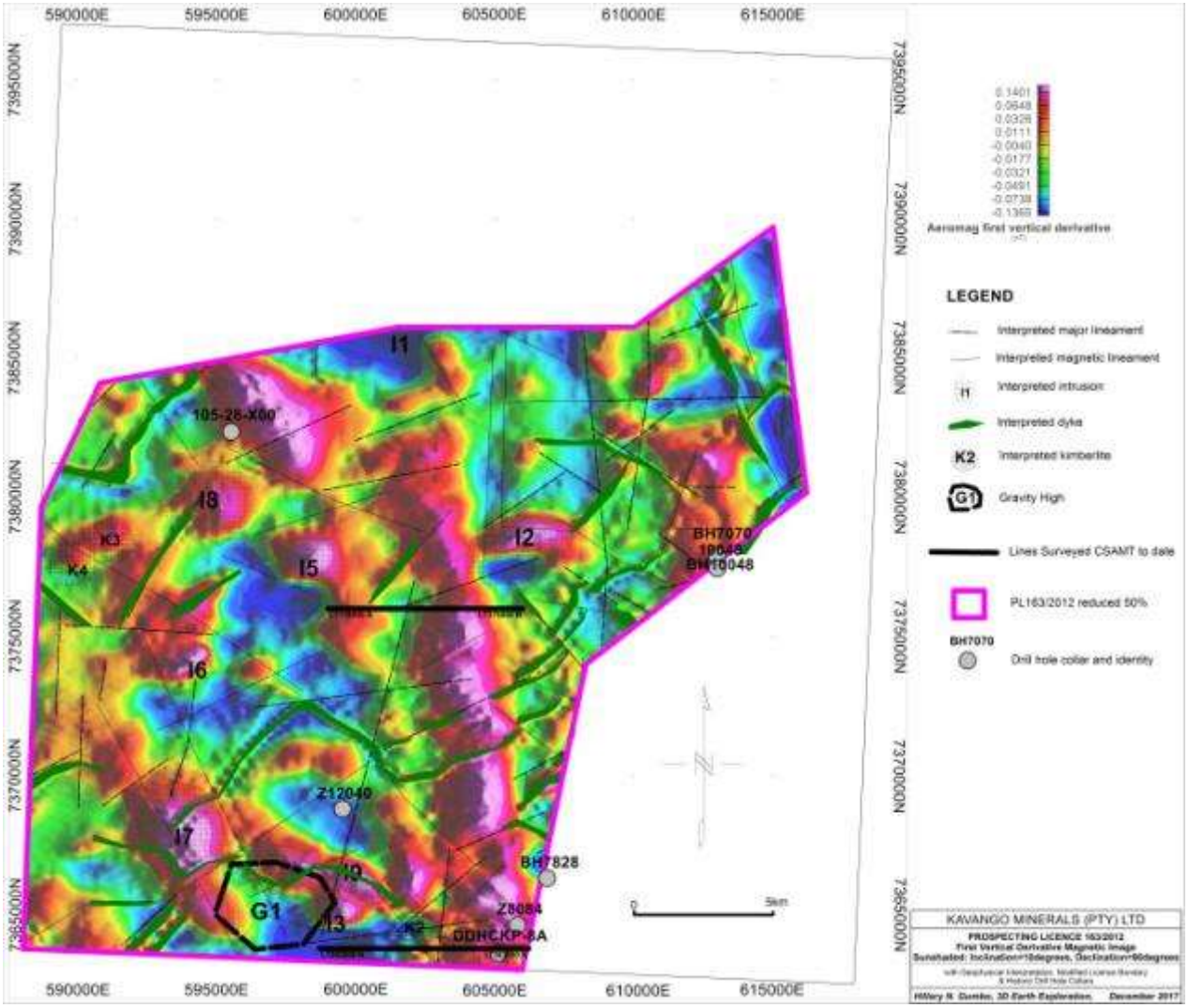
Source: RTME, 2017; Image shows 1st vertical derivative of the Government aeromagnetic data

Figure 9-11
Interpretation of aeromagnetic (centre) and ground magnetic data (left) from PL167/2012



Source: Kavango, 2017; Image shows 1st vertical derivative of the aeromagnetic data; gravity anomalies interpreted from Government gravity data

Figure 9-12
Interpretation of aeromagnetic data from PL163/2012



Source: Kavango, 2017 Image shows 1st vertical derivative of the aeromagnetic data; gravity anomalies interpreted from Government gravity data

9.2.3 CSAMT survey

Several CSAMT survey lines were completed on five PLs with the objective of confirming whether the identified high priority magnetic and/or gravity anomalies were caused by bedrock conductors. The survey was carried out using a Geometrics Stratagem EH4 unit to measure the conductivity of the subsurface. Data were downloaded daily and processed and modelled in the camp using IMAGEM™ software, with some additional processing using Geosoft Oasis Montaj.

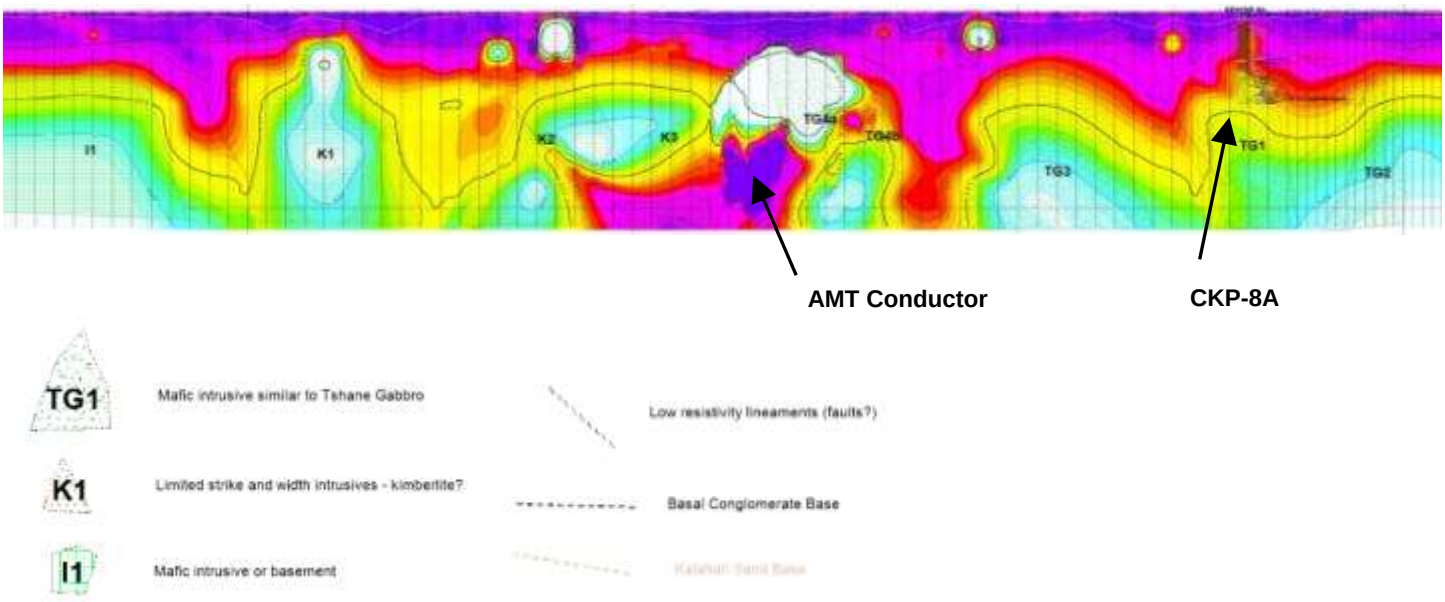
The data was collected at station intervals of 25 m, 50 m, 100 m and 200 m and dipoles used were 25 m, 50 m or 100 m. The survey lines were cut and pegged in accordance with the particular dipole being used. At each measuring station, a perpendicular line is cut the same length as the dipole to be used and centred over the survey line.

Each electric dipole has a magnetic coil laid perpendicular to it and aligned with the station pegs. The receiver is laid out over the station to be read. The transmitter is positioned 200 m to 250 m ahead of the starting point and the same distance away from the survey line. The transmitter is moved up once the receiver is over 250m away along the traverse line.

After a reading has been taken at a particular station, the dipole and magnetic coil cables are reeled in and the equipment is moved to the next measuring station and laid out again for the next readings. The equipment can be used in high frequency mode with the transmitter for assessing depths of up to 1000 m whereas the low frequency mode penetrates to depths of up to 1,600m without the use of a transmitter.

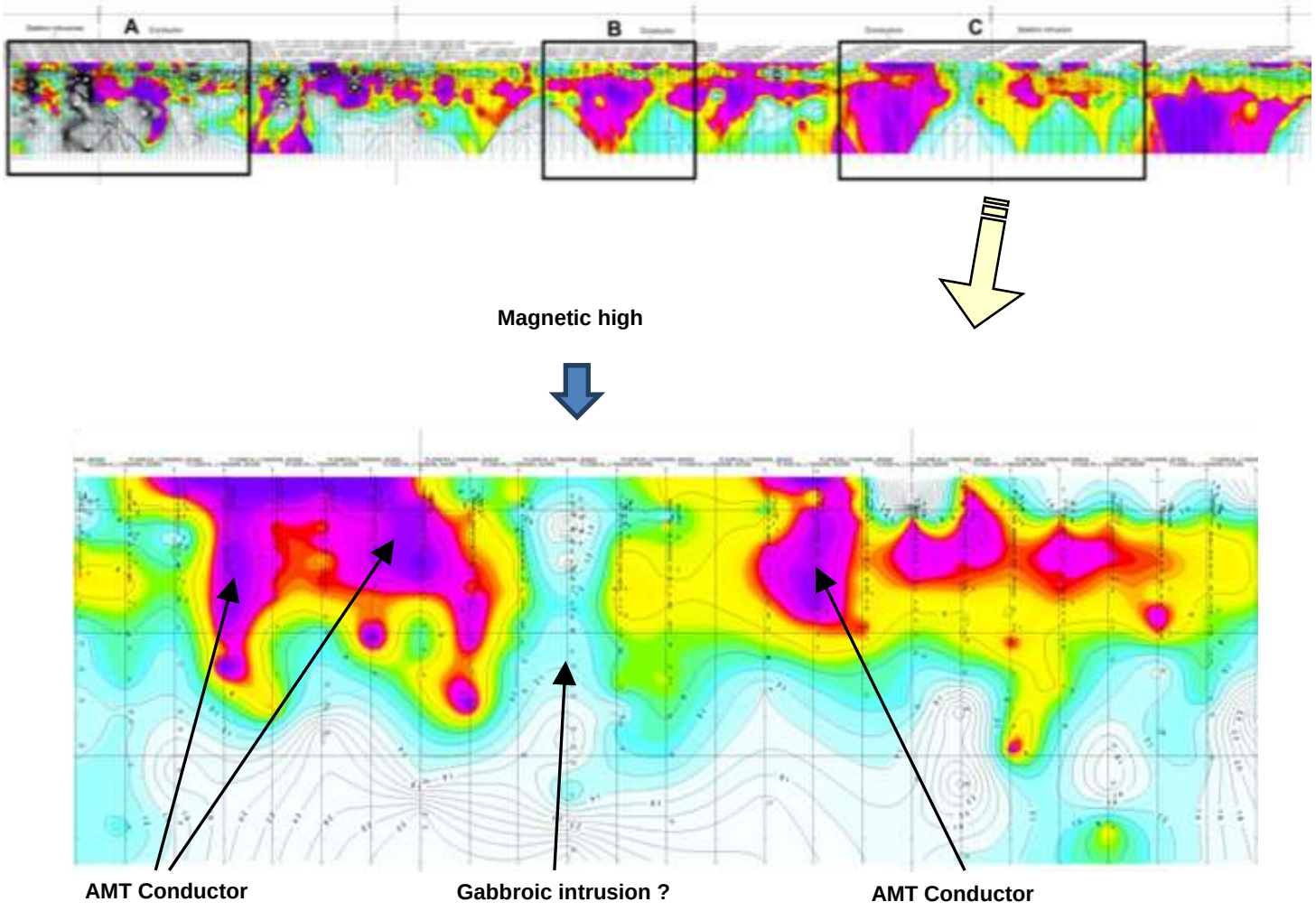
Examples of two CSAMT profiles are presented in Figure 9-13 and Figure 9-14. The profiles completed to date have shown that this method is capable to detect conductive zones below Kalahari and Karoo cover. However, an assessment of the approximately 7,000 km^2 of the 12 KSZ licenses with CSAMT surveys would be too time-consuming and this technique is better suited to follow-up and ground-truth conductive anomalies identified from the planned EM survey.

Figure 9-13
Results and interpretation of CSAMT W-E traverse covering borehole CKP-8A in PL163/2012



Source: Kavango, 2017; purple-coloured zone in the central lower half of profile is highly conductive and warrants further follow up

Figure 9-14
20 km long CSAMT W-E traverse in PL509/2014 and close-up of area C with magnetic high



Source: Kavango, 2017

9.2.4 Other work by Kavango

In 2015 Kavango re-logged all boreholes of the Kalahari Drilling Project (1981/1982) within the KSZ area (Table 9-3). Logging concentrated on the various gabbroic intrusions, their contact relationship with the respective county rocks and the presence of sulphide mineralisation.

The author has reviewed the logs but does not agree with Kavango's findings that the gabbroic intersections in boreholes CKP-8A, CKP-5B, CKP-5C and Mabuasehube-2 are part of the Tshane Complex. Only the ultramafic rocks at the base of CKP-8C-1 are considered by the author to be part of the Tshane Complex while the former four holes intersected either pre- or post-Karoo aged gabbroic / doleritic sequences (see Table 9-4).

The drill chips from 10 Government percussion holes were also re-logged by Kavango and analysed with the Niton™ but the results were not reviewed by the author during the visit to the BGS Kang core store.

Table 9-3
List of boreholes from the Central Kalahari Drilling Project (1981/1982)

Borehole ID	Easting	Northing	Elevation	Inclination	Azimuth	Length (m)
CKP-8A	605191	7363772	1000	-90°	0°	465.24
CKP-8C-1	594712	7319556	1000	-90°	0°	795.43
Mabuasehube-2	613612	7276039	1000	-90°	0°	525.60
CKP-5A-1	592275	7208841	1000	-90°	0°	126.83
CKP-5A-2	595639	7208817	1000	-90°	0°	251.83
CKP-5B	618147	7284310	1000	-90°	0°	289.33
CKP-5C	619512	7254731	1000	-90°	0°	262.50

Source, Kavango, 2017

Kavango also took magnetic susceptibility and Niton™ readings at 2 m and 4 m intervals respectively along the seven boreholes (Table 9-3) and cut samples from three gabbro core intersections from holes CKP-5C, CKP-8A and Mabua-2 for polished thin sections. The petrographic results showed the dominance of medium- to coarse-grained plagioclase and clinopyroxene with minor amounts of chlorite, serpentine, quartz and occasional opaque minerals which were identified as finely disseminated pyrite (FeS_2) and relatively coarse-grained magnetite (Fe_3O_4). The Niton™ results on gabbroic intersections from the Kalahari Drilling Project ("KDP") and from percussion holes with gabbroic intervals indicated generally low Ni and Cu concentration (<100 ppm to 200 ppm).

In 2015 Kavango commissioned private consultant Dr Martin Prendergast to carry out a multi-element lithogeochemical study on 10 core samples from five KDP boreholes containing gabbroic rocks. Selected assay results from the total of 63 elements analysed are shown in Table 9-4.

Based on the Cu/Pd ratio, the study concluded that sulphide segregation could have occurred in some parts of the various magmatic systems potentially accumulating PGE-Ni-Cu sulphides in the feeder systems. Prendergast also notes that the degree of Ni, Cu and PGE enrichment and the location and extent of accumulation are difficult to predict from lithogeochemical data alone.

Table 9-4
Chemical analyses from 10 gabbro samples from drill core from Kalahari Drilling Project

Borehole	Age*	SiO_2	Al_2O_3	FeO	MgO	MnO	Na_2O	K_2O	TiO_2	P_2O_5	S	Cr^1	V^1	Cu^1	Ni^1	Zn^1	Pb^1	Pt^2	Pd^2
CKP-5C	pre-Karoo	51.1	12.8	11.7	5.3	0.23	2.28	0.88	1.38	0.16	0.09	20	377	192	66	118	6	58	66
CKP-5C	pre-Karoo	50.5	13.6	10.7	5.6	0.22	2.59	0.95	1.24	0.14	0.06	41	322	184	74	103	6	23	23
Mabua-2	pre-Karoo	50.6	12.8	12.4	4.8	0.23	2.39	1.11	1.77	0.20	0.08	35	357	237	70	152	9	14	13
Mabua-2	pre-Karoo	50.6	12.9	11.5	5.1	0.26	2.59	1.28	1.69	0.19	0.06	40	336	210	76	108	6	13	11
CKP-5B	post-Karoo	52.6	13.9	9.47	6.4	0.22	3.07	1.06	0.76	0.09	0.03	81	269	104	81	108	21	13	13
CKP-8C-1	Tshane Complex	51.9	12.4	10.7	9.2	0.2	2.14	0.5	1.78	0.19	0.03	358	309	149	263	102	2	5	9
CKP-8C-1	Tshane Complex	49.1	16.1	8.6	5.6	0.18	2.45	0.69	0.99	0.16	0.07	228	252	103	61	85	3	6	8
CKP-8C-1	Tshane Complex	51.3	19.3	6.8	4.6	0.14	2.39	0.45	0.99	0.08	0.01	39	269	84	49	68	3	2	1
CKP-8A	post-Karoo	50.2	13.1	10.8	4.7	0.23	2.72	0.99	1.61	0.26	0.03	34	318	178	31	122	4	9	12
CKP-8A	post-Karoo	52.2	12.6	11.2	4.2	0.25	2.75	0.99	1.79	0.27	0.04	20	364	198	24	132	4	13	16

Source: Kavango, 2015; Age by MSA; concentrations in % except [1] = ppm and [2] = ppb; Analyses by Genalysis (Perth) by a mix of XRF, ICP and fire assay*

10 DRILLING

10.1 Kavango Copper Project

10.1.1 2016 Diamond Drilling Programme

10.1.1.1 Summary

Based on the results and interpretation of the geophysical data, a total of five areas were identified for testing by diamond drilling between October and December 2016 (Figure 10-1). Only target areas 1, 2 and 4 were ultimately drilled. A total of six inclined drillholes were completed for 1,510.25 m as listed in Table 10-1. The locations of these holes are shown in Figure 10-2. SHAK0002 was abandoned in overburden and is not reported on herein.

The target objective and summary geological results of the 2016 drilling campaign are listed in Table 10-2.

Table 10-1
Summary of completed drillholes

Target Area	Hole ID	Easting (m)	Northing (m)	Azimuth	Inclination	Length (m)
1	SHAK0001	569 430	7 955 100	280˚	-70˚	401.80
1	SHAK0003	568 300	7 955 350	280˚	-65˚	236.80
2	SHAK0004	561 464	7 954 623	70˚	-75˚	227.65
2	SHAK0005	562 000	7 955 500	40˚	-64˚	242.70
2	SHAK0006	558 400	7 957 820	100˚	-70˚	251.60
4	SHAK0007	524 750	7 951 480	270˚	-65˚	149.70

Source: RTME, 2017

Table 10-2
Results of the 2016 diamond drilling programme

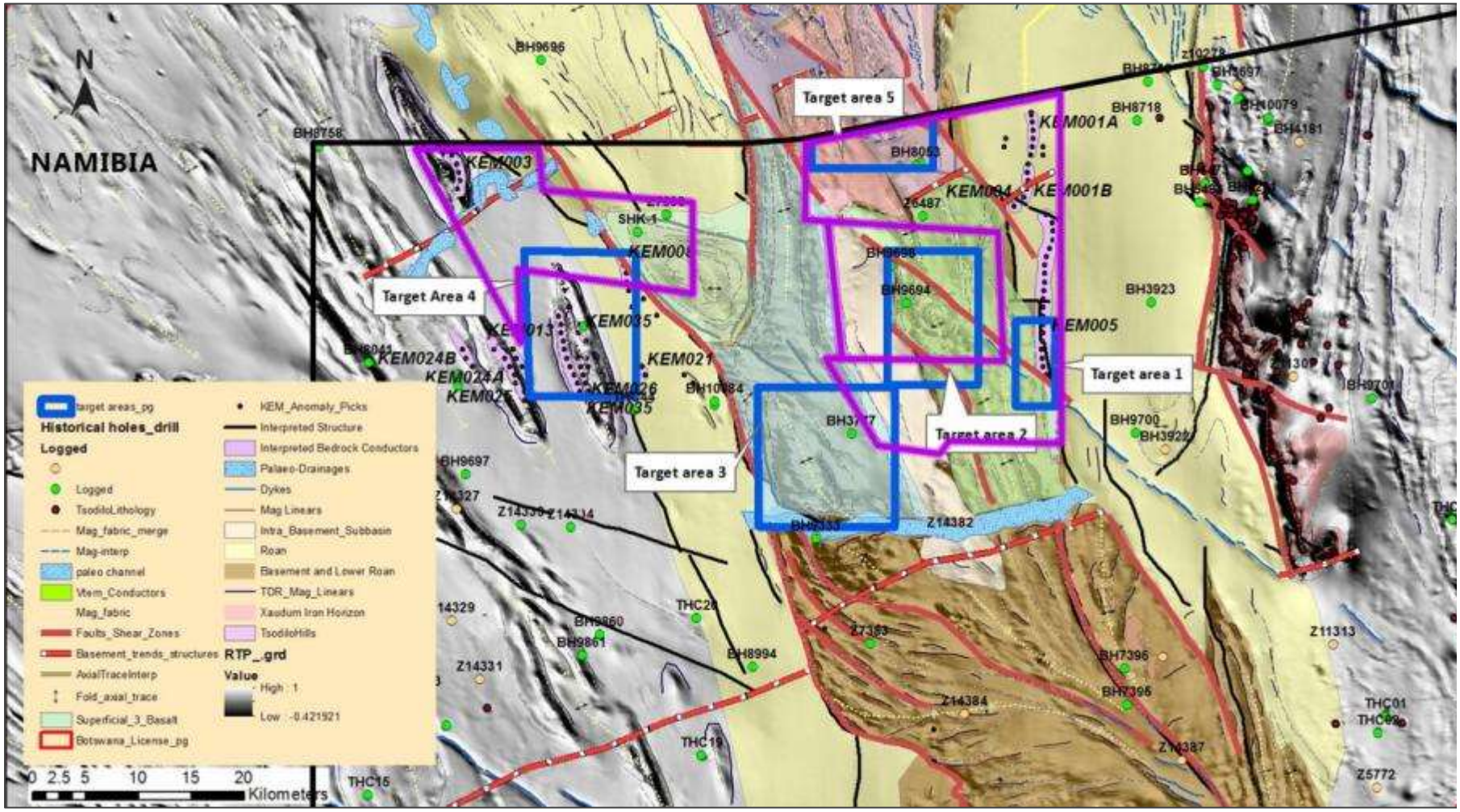
Target Area	Objective	Hole ID	Results
1	Test VTEM/NSAMT bedrock conductor (anomaly KEM005), stratigraphy and associated magnetic boundaries	SHAK0001; SHAK0003	SHAK0001 intersected Karoo sediments; SHAK0003 intersected Karoo sediments unconformably overlying Tsodilo quartzite. Conductor considered to reflect a Karoo paleo-channel
2	Test circular features (interpreted as magmatic intrusions); collect samples for age dating	SHAK0004; SHAK0005; SHAK0006	SHAK0004 intersected 65 m of Kalahari overburden overlying meta-gabbro. SHAK0005 intersected 83m Kalahari overburden and meta-gabbro with occurrences of chrysocolla and chalcopyrite. SHAK0006 intersected 50m of Kalahari overburden followed by meta-gabbro with disseminated pyrite and pyrrhotite
3	Structural target aimed at determining the stratigraphic sequence		Not tested as modelled depth to target is 450m.
4	Test conductor associated with a remanently magnetised unit in a synformal structure	SHAK0007	SHAK0007 intersected 28m of Kalahari overburden followed by a mudstone and shale unit, with occurrences of hematite veining

5	Test a circular magnetic body that extends into Namibia	Not tested in 2016 campaign

Source: RTME, 2017

Figure 10-1

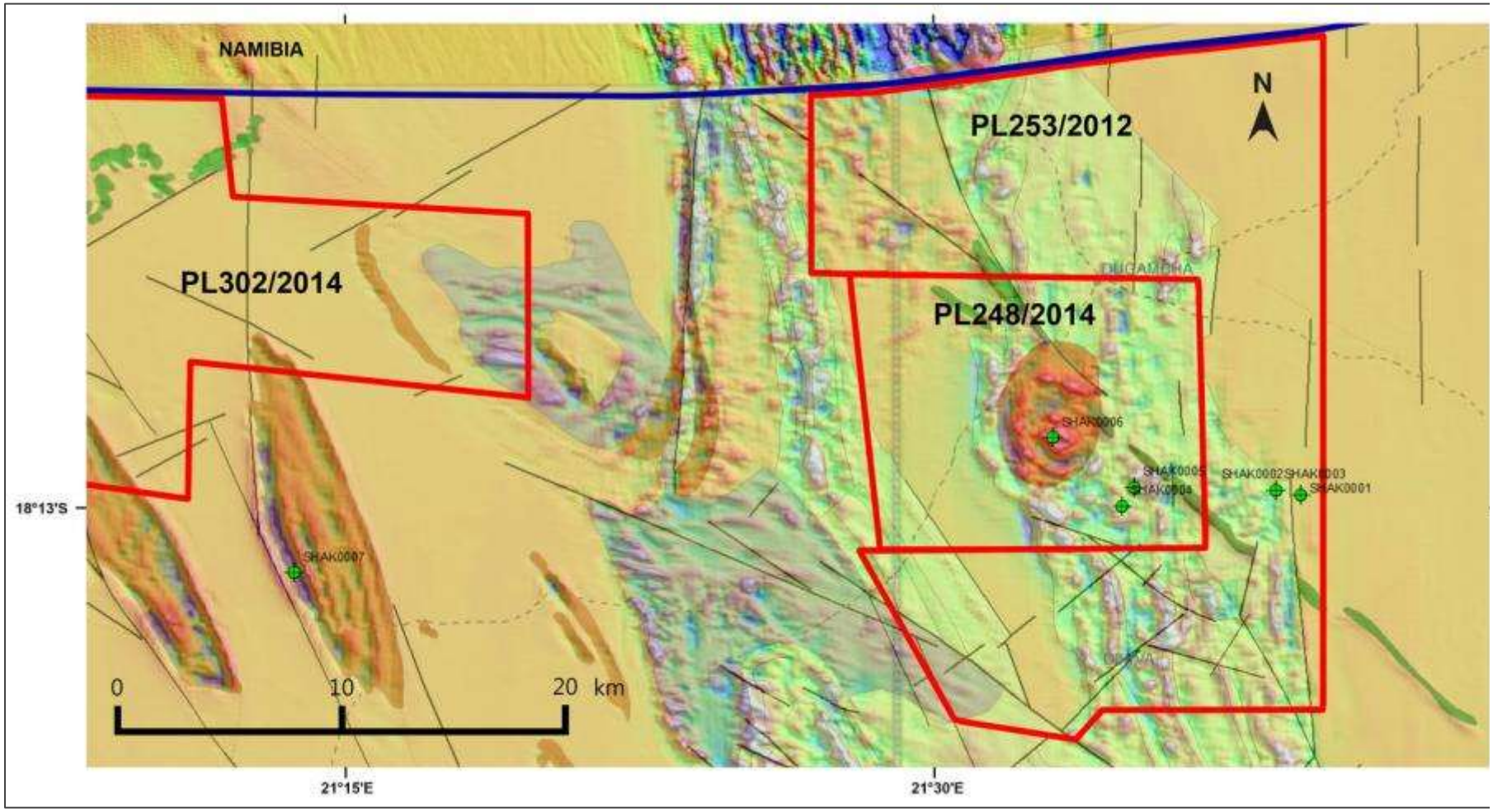
Geological interpretation and identified target areas



Source: RTME, 2017

Figure 10-2

Location of diamond drillholes underlain by the RTP 1VD magnetic imagery and showing the current licence extent



Source: RTME, 2017

10.1.1.2 **Methodology**

Diamond drilling is a method used to extract intact core through cutting of the rock with a diamond impregnated bit with recovery of the core within an inner tube inside a core barrel attached to the end of a rod string. Once the inner tube is filled on completion of each drill run, the core is extracted via a wireline winch through the inside of the rod string. The core is then placed into core trays for logging and further processing (Figure 10-3).

Drillholes were sited using a Garmin 62S hand-held GPS using coordinate system WGS84 UTM Zone 34S. Drillhole azimuths and inclinations were established using a compass. As far as possible, existing access tracks were used, with minimal road construction. Vegetation disturbance was kept to a minimum. On completion of drilling, the sites were rehabilitated, and the hole collars capped with the hole number and the end of hole depth inscribed, as shown in Figure 10-4. Photographs of each site were taken prior to drilling and following completion of drilling, in terms of RTME's environmental protocols.

A competent geologist verified the core recovery and drilling depths. Both of these parameters were recorded on the daily drilling report. Logging was carried out on hard copy templates, recording the name of the geologist, drilled intervals, lithology, colour, grain size, weathering, alteration, structure and mineralisation. This information was subsequently captured daily into Acquire via a Toughbook and incorporated into a project database. Daily data backups were conducted. Photographs were taken of each core tray, as an additional record of the drilling.

Drill core from the JV programme is stored at the Department of Geological Survey's regional core storage facility in Kang (Figure 10-5).

Figure 10-3
Example of core recovered from SHAK0007, also showing a zone of quartz-hematite veining

Source: MSA, 2017

Figure 10-4
Drillhole collar SHAK0005, end of hole depth 242.70 m

Source: MSA, 2017

Figure 10-5
Regional core storage facility of the Department of Geological Surveys in Kang

Source: MSA, 2017

10.1.1.3 **Competent Person Statement**

The 2016 drilling programme focussed on testing geophysical targets in the form of conductors and magnetic anomalies. Apart from SHAK0007 which intersected sedimentary rocks of unknown stratigraphic correlation, the drillholes intersected a Karoo paleo-channel and meta-gabbro intrusives, the latter with disseminated low grade sulphide mineralisation in places. The nature of the mineralisation is described in section 12-1.

Target 3 was aimed at determining the stratigraphic sequence, but was not tested in the 2016 campaign due to depth considerations.

Industry-appropriate procedures were followed for the drilling, core handling, logging, sampling and data management.

It is concluded that the drilling campaign was not adequately focussed on confirming the underlying Proterozoic rock sequence and its potential correlation with Katangan stratigraphy and thereby, the potential for sediment-hosted copper mineralisation.

10.2 KSZ Project

No drilling has been carried out by Kavango on the KSZ Project to date.

11 SAMPLE PREPARATION, ANALYSES AND SECURITY

11.1 Kavango Copper Project

11.1.1 Sample Preparation and Analysis

Based on the results of logging, two of the six diamond drillholes were selected for sampling, with 324 half core samples submitted to the ALS laboratory in Johannesburg for sample preparation and multi-element analysis by four acid digest and inductively coupled plasma {"ICP") finish. The core was split at the RTME exploration camp using an industry standard core cutter. At the laboratory, samples were crushed to 70% passing 2 mm, followed by riffle splitting of 250 g and pulverising of the split to better than 85% passing 75 µm (ALS method code PREP-31). Four acid digestion quantitatively dissolves nearly all minerals in the majority of geological materials. A total of 48 elements were determined by ICP (ALS method code ME-MS61).

The results indicate narrow very low-grade copper intersections in SHAK0004 and SHAK0005 as reported in Table 11-1.

Table 11-1
Intersections with copper >500 ppm

Hole ID	From (m)	To (m)	Cu (ppm)	Lithology
SHAK0004	180.0	181.0	958	Gabbro with disseminated chalcopyrite
SHAK0004	181.0	182.0	1 550	Gabbro
SHAK0004	226.0	227.0	641	Gabbro
SHAK0004	227.0	227.7	527	Gabbro
SHAK0005	229.0	230.0	587	Fault zone
SHAK0005	231.0	232.0	867	Quartzite
SHAK0005	236.7	237.2	557	Fault zone

Source: RTME, 2017

11.1.2 Sample Security

Written SOPs were used for the handling and transportation of drill core samples to ensure an auditable chain-of-custody from the field to the laboratory. Samples were stored in a secure lockable facility at the RTME exploration camp prior to dispatch to the laboratory.

11.1.3 Database Management

Geochemical data generated by Kavango were initially captured in MS Excel files and regularly emailed from the field camp to the Project manager who reviewed, imported, processed and visually displayed the data in a series of Geosoft Montaj graphics. Regular back-ups of the various Excel and Geosoft files were made.

Data generated by RTME during the drilling programme were captured daily onto Toughbook and incorporated into a centralised project database. Daily data backups were conducted.

11.1.4 Quality Assurance and Quality Control ("QAQC")

Kavango followed industry-standard QAQC procedures during the soil geochemical sampling programme using certified reference materials ("CRMs") for daily calibration of the Niton™ spectrometer as well as well as Niton™ analysis of duplicates at a frequency of one in 20 samples. The additional comments in section 11.2.4 below also apply to the Kavango Copper Project.

Industry-standard QAQC procedures were followed by RTME during the drilling, sampling and assay programme. These procedures included the use of blanks, CRMs and duplicates inserted into the sample stream to monitor sample contamination, analytical accuracy and precision respectively.

11.1.5 Competent Person Statement

The reader is referred to the comments in section 11.2.5 regarding shortcomings and limitations of the geochemical sampling programme at the Kavango Copper Project.

The sampling, analytical and QAQC procedures pertaining to the drilling programme are considered appropriate for the current level of the project. Based on the procedures in place and on the results, it is concluded that the sampling and assay data are of acceptable quality.

11.2 KSZ Project

11.2.1 Sample Preparation and Analyses

The sampling techniques for the approximately 28,800 soil samples and the analytical procedures of the Niton handheld XRF have been presented in Section 9.2.1. Kavango compiled written Standard Operating Procedures ("SOP") for sampling and processing activities which were signed off by the field staff.

11.2.2 Sample Security

The remaining -50 µm material of the ±28,800 soil samples are kept in individually numbered plastic bags (closed with staples) and are stored at a secure place at Kavango's offices in Francistown, Botswana.

11.2.3 Database Management

All geochemical and geophysical data were initially captured in MS Excel files and regularly emailed from the field camp to the Project manager who reviewed, imported, processed and visually displayed the data in a series of Geosoft Montaj graphics. Regular back-ups of the various Excel and Geosoft files were made.

11.2.4 Quality Assurance and Quality Control ("QAQC")

Kavango followed industry-standard QAQC procedures by:

- Submitting a set of 108 soil orientation samples to an independent accredited laboratory;
- using certified reference material ("CRM") for the daily calibration analyses on the Niton™; and

- splitting and analysing approximately 1,300 soil samples (±4% of total) to create duplicate Niton™ analyses.

However, a data review by MSA revealed that none of the results of above QAQC measures were checked and assessed. As a result Kavango was not aware of the poor precision (obtained from duplicate analyses) and poor accuracy (from CRM and independent laboratory assays) of the Niton™ data and did not take any corrective measures to improve the data quality.

11.2.5 Competent Person Statement

Based on above shortcomings and the inherent limitations of hand-held XRF Analysers to reliably determine low level base metal concentrations, the author considers the Niton™ data for Fe and Zn as semi-quantitative (see Section 9.2.1 and Figure 9-9). The Niton™ results for Ni, Cu and Pb show unacceptable levels of analytical error leading to 'false anomalies' in the gridded and contoured data, and are therefore not suitable to delineate possible geochemical soil anomalies in the KSZ Project area.

Above assessment is based on four acid ICP analyses performed by independent and accredited Genalysis laboratory in Perth, Australia on 108 soil samples (-50 µm fraction) collected along an approximately 16 km long orientation traverse in the southern part of PL169/2012. The results show very limited ranges of 13 ppm to 22 ppm for Cu and Ni against Niton™ readings of <10 ppm to 48 ppm Cu and <10 ppm to 41 ppm Ni respectively. Similarly, Genalysis values for Pb range from 12 ppm to 17 ppm against Niton™ readings of <10 ppm to 22 ppm. The narrow range in base metal concentrations without any obvious intervals of higher or lower levels is surprising, considering that the survey line crosses several magnetic highs and lows and despite a possibly thin Kalahari cover of only ±15 m, as indicated by the nearest borehole some 8 km to the south. The limited range suggests that the sampling method is not sensitive to sub-Kalahari geology.

Kavango used a novel soil sampling technique and it stands to reason if the applied method is capable of detecting differences in sub-Kalahari lithologies, or if geochemical variations in the -50 µm soil samples reflect minor fluctuations in the relative proportions of the clay, silt and fine sand fractions (and hence in the chemical composition) in the uppermost and potentially wind-blown Kalahari layer.

In this context it is noteworthy that Fe shows an excellent correlation with Al with a R^2 of 0.91, which is higher than with any other base metal. It is therefore likely that the observed minor variations in Fe content are a measure of the relative abundance of clay minerals in the sieved material. Al is the main element in clay minerals after Si which was not analysed by Niton™ or by Genalysis. Si could be used to normalise the -50 µm samples by determining the relative abundance of quartz / fine sand (Si) and clay/silt (Al) fractions. The importance of obtaining a clay-rich -50 µm fraction was recognised during the early phases of soil sampling when 2,010 samples had to be re-taken due to insufficient or incorrect sieving which resulted in substantially lower base metal values (= higher degree of dilution by the >50 µm quartz-rich silt / sand fraction), compared to adjacent sampling lines.

Very low Cu, Ni and Pb levels in soil (12-13 ppm to 17-22 ppm) are likely to remain problematic for future Niton™ soil sample surveys and no further sampling should be considered until acceptable levels (±20% error) of precision and accuracy can be consistently achieved and documented for the sampling method and analytical technique.

MSA recommends testing and calibrating the soil sampling method in areas where different sub-Kalahari lithologies are known to occur at variable depths below Kalahari cover. This should be done to conclusively prove that the method is capable of identifying base metal anomalies at surface that are caused by base metal enriched sub-Kalahari rocks.

12 DATA VERIFICATION

12.1 Kavango Copper Project

A site visit to the Kavango Copper Project area was conducted by the CP, Michael Robertson, accompanied by Mr Hillary Gumbo of Kavango. Discussions were held with Mr Gumbo regarding the Kavango Copper Project geology and exploration work completed to date.

The three PLs comprising the Kavango Copper Project were visited, and an impression gained of access and infrastructure and its impact on exploration. The locations of three diamond drillholes (SHAK0004, SHAK0005 and SHAK0006) were located and verified in the field (Figure 10-4).

The BGS core storage facility in Kang was visited, where all the core from the Kavango Copper Project was laid out. Logging and sampling by RTME, in the form of a database export as well as strip logs, were verified on the drill core, with particular attention paid to zones of elevated copper. Mineralisation intersected in the drilling is in the form of disseminated to blebby pyrite and subordinate chalcopyrite hosted in gabbros (Figure 12-1). Higher sulphide concentrations are observed in structurally disturbed zones where strong foliation and shear zones are developed.

Figure 12-1
Concentrations of chalcopyrite ± pyrite along foliation planes within a shear zone developed in gabbro in SHAK0004

Source: MSA, 2017

Low grade copper concentrations are also observed in a zone of hematite-quartz veining in shale between 110 m and 120 m in SHAK0007, as shown in Figure 10-3 and Figure 12-2. Minor pyrite-chalcopyrite mineralisation associated with quartz veinlets in black shale is observed between 140 m and 145 m in SHAK0007 (Figure 12-3).

Figure 12-2
Magnetite-chalcopyrite mineralisation in gabbro at 159 m in SHAK0005

Source: MSA, 2017

Figure 12-3
Veinlet-related pyrite-chalcopyrite mineralisation at 142 m in SHAK0007

Source: MSA, 2017

12.2 KSZ Project

The CP, Dr Friedrich Reichhardt accompanied by Mr Hillary Gumbo of Kavango, conducted a site visit to the KSZ Project area. Discussions were held with Mr Gumbo regarding the KSZ Project geology, historic borehole results and exploration work completed by Kavango to date.

Several of the 12 PLs comprising the KSZ Project were visited to assess access to the Project area and general infrastructure and its potential impact on exploration activities.

The BGS core storage facility in Kang was visited to inspect relevant drill core from the KSZ Project. Logging and sampling by Kavango, in the form of database print-outs, were verified on the drill core, with particular attention to intersections of gabbro / dolerite intrusions and the contact relationships with the various country rocks and reported sulphide mineralisation.

The soil sampling and geophysical data and resulting graphics were assessed at MSA's offices in Johannesburg and queries resolved with Kavango by regular email exchange.

13 MINERAL PROCESSING AND METALLURGICAL TESTING

Not applicable to the two Projects at this stage.

14 MINERAL RESOURCE ESTIMATES

No Mineral Resource Estimates have been carried out on the two Properties to date.

14.1 Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Table 14-1
JORC CODE, 2012 Edition – Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Deflation layer soil samples collected after scraping off top few centimeters of loose soil and sieving underlying material with 50 micron screen to obtain a minimum of 100 g of the -50 µm fraction; the sieved material is packed in the field in individually numbered plastic bags and later analysed in the field camp with a hand-held Niton™ XL3t XRF Analyser • 3-5 kg of soil material is collected with plastic shovels within a radius of up to 50 m from each pre-determined sample point; soil types, colour, level of bioturbation and proximity to outcrop or dry pans were recorded • An orientation survey was conducted in one of the licenses to determine typical background base metal values in the sampled material • For further details see Section 9.2.1
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Not applicable to KSZ Project; for Kavango Copper Project see details for drilling in Section 10.1.1.1
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• For details of sample recovery and representivity see Section 10.1.1.2

Criteria	JORC Code explanation	Commentary
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• For logging details see Section 10.1.1.2 • No geotechnical logging was conducted • The boreholes tested geophysical anomalies and no Mineral Resource estimation was carried out on the weakly mineralised material • Historic drill core relevant for the KSZ Project was re-logged; Niton™ and magnetic susceptibility readings were taken at 4 m (Niton™) and 2 m intervals
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• For drill core sampling see Section 10.1.1.2 • Soil samples were sieved to -50 µ to obtain the silt and clay fractions of the sampled material • The -50 µm fraction was manually split in half at approximately every 20th sample site and the resulting sub-sample was bagged and given its own sample number and inserted into the sequence of regular soil samples • Soil material is collected with plastic shovels within a radius of up to 50 m from each pre-determined sample point to maximise sample representivity • The sieving to-50 µm effectively removes most of the sand and the material can be regarded as homogeneous and representative; the sample size of 100 g of sieved material is appropriate to potentially determine base metal concentrations in the clay to silt fraction
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Soil samples (-50 µm) were analysed for base metals with a handheld Niton™; method is partial and appropriate (semi-quantitative) for Fe and considered qualitative for Zn • A Niton™ XL3t XRF Analyser was used with 90 seconds reading times and 'Mining mode' setting; customised calibration factors were not applied • Daily readings of various certified reference material including blanks; splits of -50 µm fraction were created and analysed at a rate of 1 duplicate for every 20 routine samples (5%); 108 samples were submitted to Genalysis in Perth, Australia, an independent accredited laboratory • Above QAQC procedures showed good precision and a slight bias towards under-reporting in the Niton™ accuracy for Fe and moderate precision and accuracy for Zn; Levels of Cu, Ni and Pb levels in the analysed material are too low in order to assess accuracy and precision of the latter base metals

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• No significant intersections were reported or observed during the field visit by the two CPs of this report • No twinned holes were drilled • All spatial geochemical data is transferred from the Niton™ to field laptops and kept in a series of MS Excel files; geophysical data is captured, processed and visualised in Geosoft Montaj; No adjustments were made to Niton™ data
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Hand-held Garmin eTrex 20x were used to determine all spatial data points; borehole collars in the Kavango Copper Project were also surveyed with a hand-held Garmin GPS • UTM Zone 34S with WGS84 Datum is used as the coordinate system for all spatial data; both Project areas are very flat and have little or no topography
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Soil sampling is done at 4 to 5 km line spacing for regional, 1 km spacing for follow up and 400 m line spacing for detailed grids. All sampling stations are 200 m apart except for detailed grids which have a 100 m spacing • Sample spacing should be adequate for the purpose of locating broad geochemical variations in Fe and Zn concentrations; the appropriateness and effectiveness of the soil sampling technique needs to be verified and confirmed by further test work and/or drilling of anomalies delineated to date • Soil sample material is collected and composited from five sample spots within a radius of up to 50 m from the central sampling site
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The orientation of structures in the KSZ area is not fully known at this stage and possible effects on the soil sampling results cannot be assessed; most license areas were covered with regular grids which should minimise effects due to possible structures • Drilling in the Kavango Copper Project was more of a reconnaissance nature and the targeted mineralised structures or strata have been intersected to date (see Section 10.1.1)
Sample security	• *The measures taken to ensure sample security.*	• Samples are initially stored in a field camp which is guarded 24 hrs; samples are kept in sealed plastic bags and after Niton™ analyses are transported by the project geologist to Kavango's office facilities in Francistown for secure permanent storage
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Both CPs of this report have visited the respective Project areas and have carried out reviews of the sampling methods and an assessment of the resulting data (see Section 11.2)

14.2 Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Table 14-2
JORC CODE, 2012 Edition – Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The 15 tenements are held under Prospecting Licences issued by the Department of Mines of the Ministry of Mineral Resources and are granted to Kavango Minerals (Pty)Ltd; PL 253/2012 is subject to a JV agreement with RTME (see Section 4.2.1); PL166/2012 and PL167/2012 cover parts of the Mabuasehube Game Reserve and exploration activities are subject to the provisions of the Wildlife Conservation and National Parks Act, 1992 and require approval by the Ministry of Commerce and Industry • The legal status of all 15 PLs has been confirmed by a law firm (Appendix 3); No impediments to operate in the PLs are known except above mentioned requirement for approval by the Ministry of Commerce and Industry
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Both Project areas were subject to previous exploration and the scope of work and findings are discussed in Section 6.1.2 and Section 6.2.6
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The deposit types for the two Project areas are presented and discussed in Section 8.1(Kavango Copper Project) and Section 8.2 (Cu-Ni-PGE in KSZ Project)

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• The details of the six boreholes drilled to date in the Kavango Copper Project are presented in Section 10.1.1
		• No information has been deemed to be 'not Material' or has been excluded

Criteria	JORC Code explanation	Commentary
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No weighted averages, max/min grade truncations or cut-off grades have been applied to the six boreholes drilled at the Kavango Copper Project to date • No aggregation methods were applied • No metal equivalents were reported
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• The six holes drilled so far on the Kavango Copper Project have not intersected the targeted Cu-Co mineralisation and no commentary can be provided wrt the relationship between mineralisation widths and intercept lengths
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Relevant maps and sections for the six boreholes are shown in Section 10.1.1
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• The CPs have adhered to a balanced reporting of all available Exploration Results for the two Projects
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• All geophysical and geochemical surveys and other geological observations conducted by Kavango and/or RTME have been reported in the relevant Sections; no metallurgical, bulk density, geotechnical or advanced geochemical test work have been undertaken to date
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Kavango plans an airborne EM survey followed by ground-truthing and drilling for the KSZ Project (see Section 26.2); A staged drilling programme is planned for the Kavango Copper Project (see Section 26.1)

15 MINERAL RESERVE ESTIMATES

No Mineral Resource Estimates have been carried out on the two Projects to date.

16 MINING METHODS

Not applicable to the two Projects at this stage.

17 RECOVERY METHODS

Not applicable to the two Projects at this stage.

18 PROJECT INFRASTRUCTURE

A detailed assessment of the infrastructure associated with the two Properties is not applicable at this stage in the development of the Projects.

19 MARKET STUDIES AND CONTRACTS

Not applicable to the Kavango Copper and KSZ Projects at this stage.

20 ENVIRONMENTAL STUDIES, PERMITTING AND SOCIAL OR COMMUNITY IMPACT

At this stage, MSA is not able to provide commentary on specific environmental, permitting or social factors that may in future have an impact on Kavango's ability to conduct the planned work program. Any social or community issues need to be addressed by the Prospecting License holder in a proactive, transparent and socially responsible manner and in accordance with the requirements of the Botswana's Mines and Mineral Act.

21 CAPITAL AND OPERATING COSTS

Not applicable to the two Projects at this stage.

22 ECONOMIC ANALYSIS

Not applicable to the two Projects at this stage.

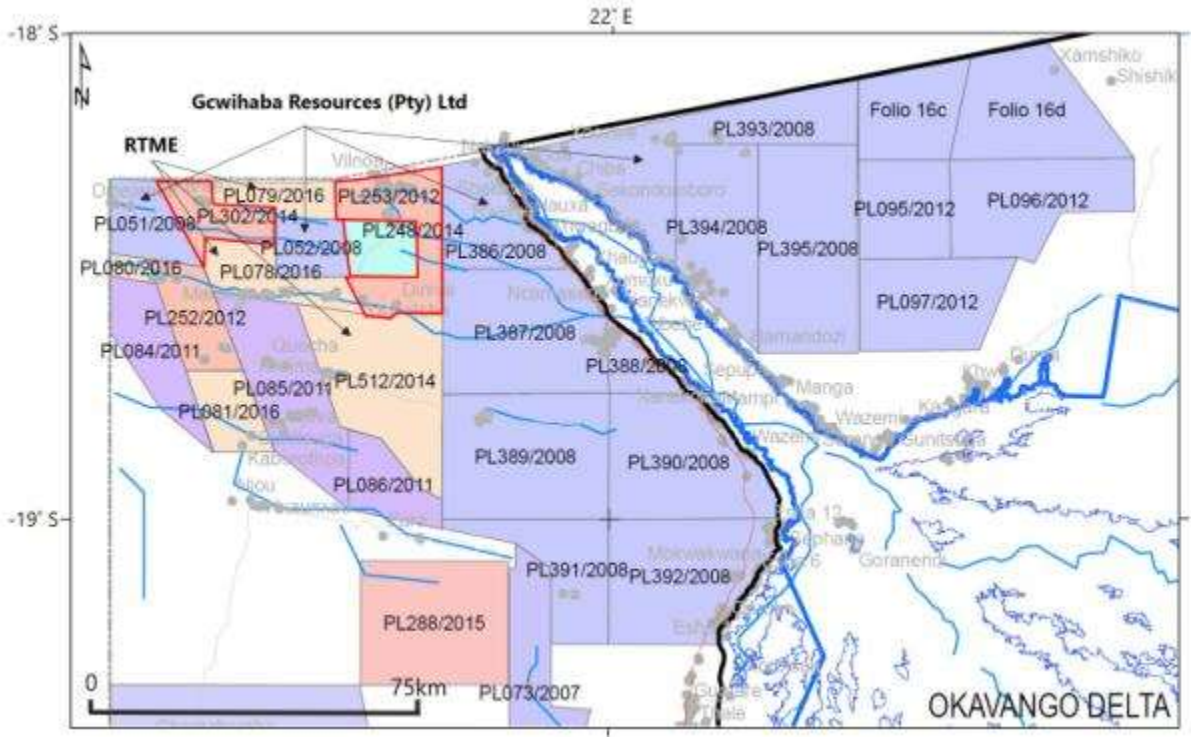
23 ADJACENT PROPERTIES

23.1 Kavango Copper Project

The mineral concession map of metal minerals, as published by the Botswana Department of Mines, as at 31 October 2017 for northwest Botswana is shown in Figure 23-1. The area to the immediate east of the Kavango Copper Project and on either side of the Okavango Delta Panhandle is largely held by Gcwihaba Resources (Pty) Ltd. Historically, the Gcwihaba focus in the area was on base metals exploration, partly in strategic partnership with First Quantum Minerals. The current Gcwihaba focus is the Xaudum Iron Formation ("XIF") Project, a banded magnetite iron prospect approximately 15 km east of the Kavango Copper Project within PL386/2008 and PL387/2008. A CIM compliant Inferred Mineral Resources has been stated for the XIF Project. As described in this CPR, previous drilling undertaken by Gcwihaba and FQM has intersected what are considered to be Katangan Supergroup equivalents in the general vicinity of the Kavango Copper Project. Gcwihaba also holds two PLs (PL052/2008 and PL051/2008 adjacent to the Kavango Copper Project.

RTME holds three PLs adjacent to the Kavango Copper Project.

Figure 23-1
Map showing the Prospecting Licence holding adjacent and in proximity to the Kavango Copper Project (red outline)

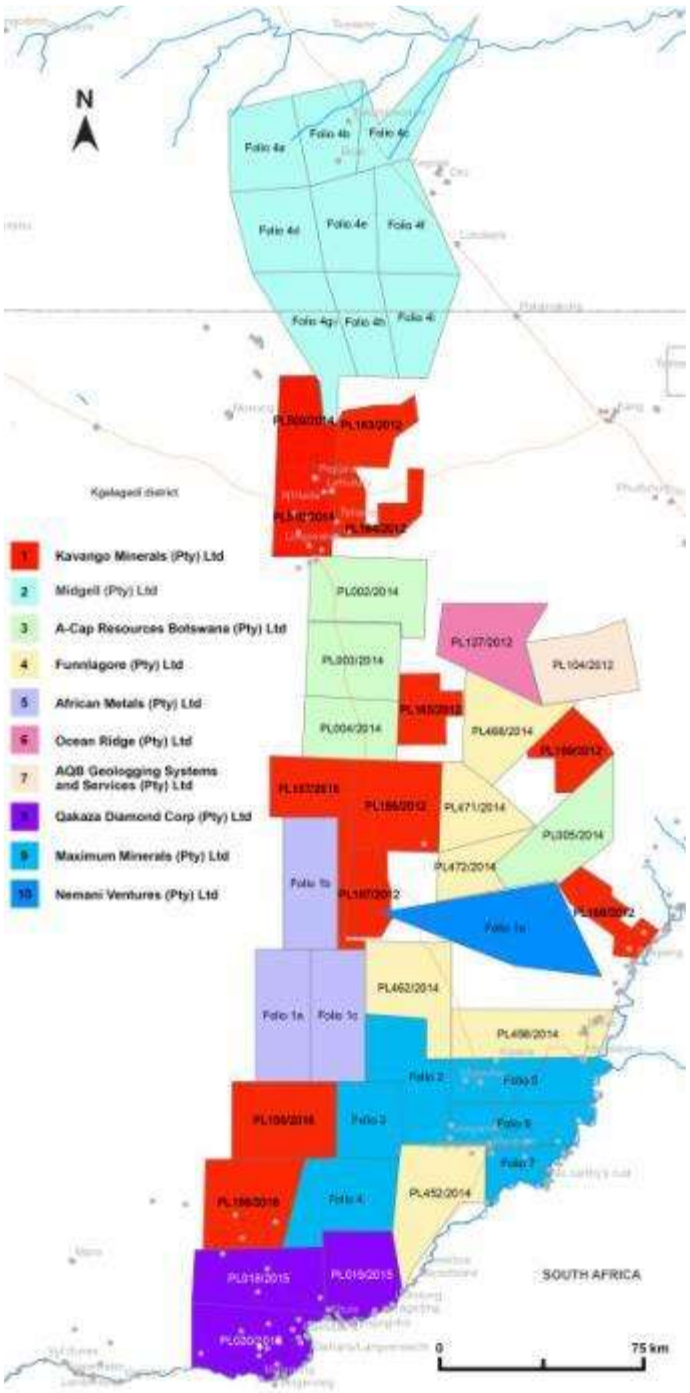


Source: Mineral Concession map of 'Metal minerals' as at 31st October 2017; Department of Mines, Botswana

23.2 KSZ Project

The entire Kalahari Suture Zone is currently under license by 10 different companies targeting precious and base metals. A large number of PLs have been applied for in 2017 and the majority of existing licenses were granted less than four years ago. The author is not aware of any relevant geological information by other license holders. Kavango's 12 PLs are shown in red (Figure 23-2).

Figure 23-2
Map showing the 12 KSZ PLs and adjacent PLs



Source: Mineral Concession map of 'Metal minerals' as at 31st October 2017; Department of Mines, Botswana

24 OTHER RELEVANT DATA AND INFORMATION

No other data, information or explanation is deemed necessary for this Technical Report.

25 INTERPRETATION AND CONCLUSIONS

25.1 Kavango Copper Project

The exploration rationale for the Kavango Copper Project is premised on the interpreted correlation between Proterozoic rocks underlying Kalahari cover and the Katanga Sequence which hosts the Central African Copperbelt deposit in Zambia and the DRC. Northwest Botswana is therefore considered prospective for exploration targeting of sediment-hosted copper-cobalt deposits as well as related structurally controlled secondary copper-cobalt deposits. Previous work has provided sufficient encouragement to warrant further exploration to test this rationale.

Work conducted by Kavango and RTME to date has been insufficient to further test this rationale and additional exploration work is necessary to confirm the interpreted stratigraphic correlation and identification of appropriate targets for drill testing.

25.2 KSZ Project

After a comprehensive review of historic borehole material, aeromagnetic and gravity data from the KSZ Project, Kavango carried out various ground geophysical and soil sampling surveys and concluded that an airborne electromagnetic survey over the entire KSZ Project area is required to assess the possibility of buried Ni-Cu-PGE sulphide mineralisation along and adjacent to the Kalahari Suture Zone.

26 RECOMMENDATIONS

The two Projects have evolved on the basis of considerable exploration over the past five years and MSA considers that the Project areas have sufficient geological merit to justify the proposed programmes and associated expenditure. It is logical and prudent, however, that those less prospective areas are progressively relinquished as the results of the planned airborne EM survey (KSZ Project) and additional field work and drilling in the Kavango Copper Project are evaluated.

26.1 Kavango Copper Project

The work programme proposed by RTME for the JV license PL253/2012 was initially aimed to test targets in the defined prospective portion of the license area (**Error! Reference source not ound.**). As mentioned above, RTME has served notice of its intention to terminate the JV Earn In Agreement. Accordingly, and as part of the termination handover process, it is obliged to provide Kavango with all of its results (including drilling results) after which Kavango will be able to assess whether to continue the programme commenced by RTME, whether to instigate new investigations or whether to relinquish the licence.

No field work is planned by Kavango on the other two licenses 248/2014 and 302/2014.

PL	Year	Work Programme and Expenditure as initially Proposed by RTME for the Kavango Copper Project	Minimum Expenditure (BWP)
253/2012	2018	Test targets with Reverse Circulation / Diamond Drilling; Geological logging, sampling and assaying	500,000
	2019	Follow up targets with Reverse Circulation / Diamond Drilling; Geological logging, sampling and assaying	500,000

Source: RTME; BWP to USD exchange rate: 1 BWP ~ 0.1 USD (December, 2017)
Note: Above expenditure excludes Corporate and Administrative costs and other costs not directly related to the field work

26.2 KSZ Project

Kavango has prepared a staged exploration programme (Table 26-1) and MSA supports the plan to fly an EM survey over its ground holding in the KSZ area. It is further recommended to use more than one geophysical consulting company for the EM data interpretation process and to ground-truth a broad range of identified EM anomalies by refining existing ground geophysical traverses, or establishing new grids over the respective anomalies, prior to drilling.

Table 26-1
Planned exploration activities and estimated expenditure for the KSZ Project

Planned minimum activity	Cost (USD)
KSZ Project - Phase 1 (12 months)	
Airborne EM survey including interpretation by a second geophysical consultant	600,000
Ground-truthing of 15-20 EM anomalies with ground geophysical grids	183,000
CSAMT, EM or IP survey over Ditau I3 anomaly in PL169/2012	15,000
Geochemical sampling and assays	84,000
Pre-collar (RC) and core drilling of 8 targets (±2,800 m @ USD 130/m – hybrid rate), assays	340,000
Field costs, geological & field staff, logistics, license fees and local administration	129,000
Subtotal	1,351,000
KSZ Project - Phase 2 (6 months)	

Pre-collar (RC) and core drilling of 5 targets (±1,800 m @ USD 130/m – hybrid rate), assays		158,000
Field costs, geological & field staff, logistics, license fees and local administration		71,000
	Subtotal	229,000
Grand Total		1,580,000

Source: Kavango, 2017; above expenditure excludes Corporate and Administrative costs and *other costs not directly related to the field work*

Kavango will aim to raise sufficient working capital to ensure at least 18 month of field operations. The funds raised on Admission are understood by MSA to be committed to the exploration and assessment of Kavango's mineral properties in Botswana.

The proposed 18 months exploration budget exceeds the expenditure commitment towards the Botswana Ministry of Mineral Resources for the 12 PLs of the KSZ Project.

As proposed in Table 26-1 a CSAMT, EM or IP survey should be conducted over the Ditau I3 anomaly in PL169/2012 to assess the potential for Ni-Cu-PGE sulphides below the Kalahari cover.

It is recommended to conduct a geochemical orientation survey with modified parameters on the Niton™ handheld XRF analyser to establish if acceptable levels (±20% error) of precision and accuracy can be consistently achieved and documented for soil samples with low base metal concentration levels (<50 ppm). This could possibly be achieved by applying longer counting times (180 sec vs 90 sec) and by using Niton™ plastic sample cups, suitable cover films for cups and detector window and a customised calibration setting optimised for low base metals concentrations.

It is further recommended that all spatial project data should be transferred from the various MS Excel spreadsheets into a customised relational database which will allow performing data validation routines and basic quality assessment procedures.

The available aeromagnetic data, complimented by the ground magnetic surveys, should be re-modelled to determine the geometry, dip and likely depths of gabbroic intrusions in the wider KSZ area. For this purpose it is advisable to conduct de-magnetisation studies on dolerite/gabbro from CKP drill core to quantify the effects of remanence magnetism and the resulting effects on the measured/apparent magnetic intensities.

27 REFERENCES

Aldiss, D.T. (1987) Outline description of the geology of the Hanahai area. Department of Geological Survey, Botswana. Kalahari map series, unpublished.

Baker, H. (2014) Mineral Resource Estimate for the Xaudum Iron Project (Block 1), Republic of Botswana. NI 43-101 Technical Report prepared for Gcwihaba Resources (Pty) Ltd by SRK Consulting, effective date 29 August 2014. pp. 130.

Beukes, N.J. (1990) Report on stratigraphic correlation of some drill core intersections in the Keng Pan, Tubane and Phepheng areas, Molopo Farms Complex. Unpublished report for Molopo Botswana (Pty) Ltd

Beukes, N.J. and Smith, C.A. (1987) New evidence for thrust faulting in Griqualand West, South Africa; implications for stratigraphy and age of red beds. South African Journal of Geology, Vol 90, p 378-394.

Boocock, C. and van Straten, O.J. (1962) Notes on the geology and hydrogeology of the central Kalahari region, Bechuanaland Protectorate. Transactions Geological Society of South Africa. Vol 65 (1). p 125-171.

Brett, J.S., Mason, R. and Smith, P.H. (2000) Geophysical exploration of the Kalahari Suture Zone. Journal of African Earth Sciences. Vol 30. p. 489-497.

Carney,J.N. (1989) Early Proterozoic rocks at Mabuasehube Pan, southwest Botswana. Geological Survey Department, Botswana, unpublished report JNC/4/89. pp. 10.

Carney, J.N., Aldiss, D.T. and Lock, N.P. (1994) The Geology of Botswana. Geological Survey Department, Botswana, Bulletin 37, pp. 113.

De Wit, M. (2013) First Quantum Minerals commences initial drill programme. Tsodilo Resources Limited new release dated 12 September 2013.

De Wit, M. (2012) Geology and Mineralization of Ngamiland – Tsodilo Resources Ltd. Botswana Resource Sector Conference, 26 June 2012.

De Wit, M. (2009) Copper Belt extends to Botswana. Inside Mining June 2009. p 22-27.

De Wit, M. (2009) Tsodilo Resources Limited drills extension of Zambian Copperbelt-like mineralisation in Pan African Basement of northwest Botswana. Tsodilo Resources Limited report dated 5 April 2010 and available at http://www.tsodiloresources.com.

Duzhikov, O.A., Distler, V.V., Struin, B.M., Mkrtychyan, A.K., Sherman, M.L., Sluzhenikin, S.S. and Lurje, A.M. (1992) Geology and metallogeny of sulphide deposits of Noril'sk Region, USSR. Society of Economic Geologists, Special Publication 1. pp. 242.

Du Toit, A.L. (1954) The Geology of South Africa. Oliver 6 Boyd, Edinburgh.

Godfroid, J. and Goswell, H. (2013) Initial review of drill core from the Tsodilo license area, NW Botswana. Unpublished internal report by First Quantum Minerals on behalf of Tsodilo Resources Ltd.

Haddon, I.G. (2005) The sub-Kalahari geology and tectonic evolution of the Kalahari Basin, Southern Africa. Unpublished PhD thesis, University of Witwatersrand. pp. 360 and Appendices.

Hanson, R.E, Harmer, R.E, Blenkinsop, T.G, Bullen, D, Dalziel, I.W.D, Gose, W.A, Hall, R.P, Kampunzu, A.B, Key, R.M, Mukwakwami, J, Munyanyiwa, H, Pancake, J.A, Seidel, E.K and Ward, S.E. (2006) Mesoproterozoic intraplate magmatism in the Kalahari Craton: a review. Journal of African Earth Sciences, Vol 46, no. 1-2. pp. 141-167.

Hitzman, M.W., Selley, D. and Bull, S. (2010) Formation of sedimentary rock – hosted stratiform copper deposits through Earth history. Econ. Geol., vol. 105, p 627-639.

Hoffe, B.H, Wright, J.A., Piper, D.P and McMullan, S.R. (1991) Deep seismic evidence of late middle Proterozoic rifting along the Kalahari Line, western Botswana. Tectonophysics

Jeffcoate, A.B., Jones, S., de Wit, M., de Wit, M., Martinez, I., Kahari, M., Spaggiari, R. and Ntshasang, O. (2014) Extension of the Central African Copperbelt (CACB) in Northwestern Bostwana. Plus – Overview of the Significant Xaudum Iron Formation (XIF). GSSA – African Exploration Showcase Day 7 November 2014. Presentation prepared by Tsodilo Resources Limited.

Jones, S. (2014) Does the Central African Copperbelt extend into Northern Botswana? Botswana Resource Sector Conference 10-11 June 2014.

Kamo, S.L., Key, R.M. and Daniels, L.R.M., (1995) New evidence for Neoarchean hydrothermally altered granites in south central Botswana. Journal of the Geological Society 152 (5), p 747-750.

Key, R.M. (1979) A report on a field trip to southwest Botswana. Geological Survey, Botswana, unpublished report RMK/48/79.

Key, R.M. and Mapeo, R. (1999) The Mesoproterozoic history of Botswana and the relationship of the NW Botswana Rift to Rodinia. Episodes, Vol 22. p. 118-122.

Lightfoot, P.C. and Naldrett, A.J. (1987) Re-evaluation of the chemical variation in the Insizwa Complex, Transkei. Can. Mineral. Vol 25. p. 79-90.

Mason, R. (1998) Tectonic setting of the Kalahari Suture Zone in Botswana. International Conference on the role of a national Geological Survey in sustainable development. Gaborone, Botswana. Abstract. p. 51-54.

Meixner, H.M. and Peart, R.J. (1984) The Kalahari Drilling Project. Geological Survey, Botswana, Bulletin 27. pp. 224.

Molopo Botswana (Pty) Ltd (1992) Final report for PL 13/87, Kalagadi District. Geological Survey, Botswana, prospecting records.

MPH Consulting Ltd (1996) Preliminary report on the Tshane Complex, SW Botswana. Unpublished report. pp. 56 and 5 Appendices.

Naldrett, A.J. (1999) World-class Ni-Cu-PGE deposits: key factors in their genesis. Mineralium Deposita. Vol. 34. p. 227-240.

Pillay, N. (2016) Half Yearly Report on Kavango Joint Venture. Internal Rio Tinto Mining and Exploration Limited Report provided to Kavango Minerals Limited and dated 31 May 2016. pp. 17.

Pillay, N. (2017) Half Yearly Report on Kavango Joint Venture. Internal Rio Tinto Mining and Exploration Limited Report provided to Kavango Minerals Limited and dated 17 February 2017. pp. 12.

Pouliquen, G, Key, R and Walker A. (2008) The internal structure and geotectonic setting of the Xade and Tsetseng complexes in the westernmost part of the Kaapvaal Craton. South African Journal of Geology. Vol 111 (4). p. 345-356.

Prendergast, M.D. (2015) Review of lithogeochemical data from drill-holes in the Kgalagadi District of South-Western Botswana. Report for Kavango Minerals (Pty) Ltd. pp. 13.

Reeves, C.V. (1978) Reconnaissance aeromagnetic survey of Botswana 1975-77. Final interpretation report. Terra Surveys Ltd, Geological Survey Botswana. pp. 315.

Reeves, C.V. and Hutchins, D.G. (1976) The national gravity survey of Botswana 1972-73. Geological Survey of Botswana, Bulletin 5. pp. 44.

Reichhardt, F.J. (1994) The Molopo Farms Complex, Botswana; history, stratigraphy, petrography, petrochemistry and Ni-Cu-PGE mineralisation. Exploration and Mining Geology, Vol 3. p 264–284.

RTME. (2017) Botswana Copper Project. Summary internal presentation prepared by Rio Tinto Mining and Exploration Limited.

Stowe, C.W. (1983) The Upington geotraverse and its implications for craton margin tectonics, in The Namaqualand Metamorphic Complex. Special publication Geological Society of South Africa. Vol 10. p. 147-171.

Svensen, H., Jamtveit, B., Planke, S. and Chevallier, L. (2006) Structure and evolution of hydrothermal vent complexes in the Karoo basin, South Africa. Journal of the GeologicalSociety, London. Vol 163. p. 671-682.

Vilanculos, R. (2016) Annual Report on Exploration Activities Relating to the Prospecting License 302/2014 for the period 1 July 2015 to 30 June 2106.

Vilanculos, R. (2016) Annual Report on Exploration Activities Relating to the Prospecting License 248/2014 for the period 1 July 2015 to 30 June 2106.

Water Surveys Botswana (Pty) Ltd (1994) Final report: Groundwater potential survey, Middlepit/Makopong TGLP areas. Geological Survey Botswana

Wendorff, M. (2005) Outline if lithostratigraphy, sedimentation and tectonics of the Tsodilo Hills Group, a Neoproterozoic - Lower Palaeozoic siliciclastic succession in NW Botswana. Annales Societatis Geologorum Poloniae, vol. 75, p 17-25.

Zhlou, Y. (1988) Quantitative aeromagnetic interpretation of the Kalahari Line and and the Nossop Basin in SW Botswana. Unpublished MSc thesis. International Institute for aeromagnetic survey and earth science, Delft, The Netherlands. pp 67.

28 DATE AND SIGNATURE PAGE

This report titled "Cu and Ni-Cu-PGE Projects in Northern and Western Botswana" with an effective date of 20 December 2017, prepared by MSA on behalf of Kavango Resources plc dated 18 April 2018 was prepared and signed by the following author with assistance from Dr Reichhardt:

Dated at Johannesburg, South Africa
18 April 2018

Mr Michael James Robertson
Pr.Sci.Nat., FGSSA
Principal Consultant – The MSA Group (Pty) Ltd

APPENDIX 1:

Glossary of Technical Terms

Glossary of Technical Terms

Aeolian	Formed or deposited by wind.
airborne magnetic surveys	Surveys flown by helicopter or fixed wing aircraft to measure the magnetic susceptibility of rocks at or near the earth's surface.
Al	The element aluminium
basement	The igneous and metamorphic crust of the earth, underlying sedimentary deposits.
basin	A large sediment-filled and fault-bounded depression resulting from extension of the crust.
brecciated	Condition applied to an intensely fractured body of rock.
Carboniferous	Applied to the third and second last period of the Palaeozoic era, 359 to 299 million years ago.
carbonate	A rock, usually of sedimentary origin, composed primarily of calcium, magnesium or iron and CO_3. Essential component of limestones and marbles.
carbonatite	An alkaline, carbonate-rich magmatic rock.
conglomerate	A rock type composed predominantly of rounded pebbles, cobbles or boulders deposited by the action of water.
craton	Large, and usually ancient, stable mass of the earth's crust comprised of various crustal blocks amalgamated by tectonic processes. A cratonic nucleus is an older, core region embedded within a larger craton.
Cretaceous	Applied to the third and final period of the Mesozoic era, 145 to 66 million years ago.
CSAMT	Controlled source Audio Magneto Tellurics survey
diamond drilling	Method of obtaining cylindrical core of rock by drilling with a diamond set or diamond impregnated bit.
diatreme	A volcanic vent or pipe created by gaseous magma sourced from the mantle.
dipolar anomaly	A magnetic dipole created by a magnetic source with a roughly cylindrical shape and considerable depth extent.
dolomite	A mineral composed of calcium and magnesium carbonate; a rock predominantly comprised of this mineral is also referred to as dolomite or dolostone.

dyke	A tabular body of intrusive igneous rock, crosscutting the host strata at an oblique angle.
eluvium	Incoherent material resulting from the chemical decomposition or physical disintegration of rock in situ.
EM	Electromagnetic
EM survey	Electromagnetic survey method to detect conductive material to moderate depths (<500 m)
evaporite	Sediment, including various salts, deposited from aqueous solution as a result of evaporation.
fault	A fracture or fracture zone, along which displacement of opposing sides has occurred.
felsic	Light coloured rocks containing an abundance of feldspars and quartz.
fold	A planar sequence of rocks or a feature bent about an axis.
granitoid	A generic term for coarse grained felsic igneous rocks, including granite.
gravity survey	Recording the specific gravity of rock masses in order to determine their distribution.
heli-mag survey	A form of aerial magnetic surveying undertaken by helicopter.
horizontal gradiometer	Instrument used to measure changes in the horizontal component of the earth's magnetic field, frequently increasing the resolution of a conventional magnetic survey.
imaging	Computer processing of data to enhance particular features.
joints	Regular planar fractures or fracture sets in massive rocks, usually created by unloading, along which no relative displacement has occurred.
Jurassic	Applied to the second period of the Mesozoic era, 201 to 145 million years ago.
lead isotope dating	A method of dating rocks containing lead by quantifying the relative ratio of lead isotopes.
limestone	A sedimentary rock containing at least 50% calcium or calcium-magnesium carbonates.
lineament	A significant linear feature of the earth's crust.
loam sampling	Sampling of the A horizon of a soil profile to recover resistant minerals accumulated via the process of deflation.
Ma	Million years.

mafic	Descriptive of rocks composed dominantly of magnesium and iron rock-forming silicates.
mantle	The layer of the earth between the crust and the core. The upper mantle, which lies between depths of 50 and 650km beneath continents, is the principal region where diamonds are created and stored in the earth.
Mesoproterozoic	Middle Proterozoic era of geological time, 1,600 to 1,000 million years ago.
metamorphism	Alteration of rock and changes in mineral composition, most generally due to increase in pressure and/or temperature.
mobile belt	An elongate belt in the earth's crust, usually occurring at the collision zone between two crustal blocks, within which major deformation, igneous activity and metamorphism has occurred.
Neoproterozoic	Late Proterozoic era of geological time, 1,000 to 545 million years ago.
NSAMT	Natural Source Audio Magneto Tellurics survey
orogeny	A deformation and/or magmatic event in the earth's crust, usually caused by collision between tectonic plates.
Palaeozoic	An era of geologic time between the Late Precambrian and the Mesozoic era, 541 to 252 million years ago.
Permian	Applied to the last period of the Palaeozoic era, 299 to 252 million years ago.
Precambrian	Pertaining to all rocks formed before Cambrian time (older than 545 million years).
Proterozoic	An era of geological time spanning the period from 2,500 to 545 million years before present.
RC drilling	(Reverse Circulation) A percussion drilling method in which the fragmented sample is brought to the surface inside the drill rods, thereby reducing contamination.
replicate sampling	Sampling programme initiated to validate previous sampling results.
reversely polarised	A negative magnetic anomaly reflecting a body of magnetic igneous rock emplaced and crystallised when the earth's magnetic poles were reversed.
sandstone	A sedimentary rock composed of cemented or compacted detrital minerals, principally quartz grains.

satellite positioning system (global positioning system GPS)	An instrument used to locate or navigate, which relies on three or more satellites of known position to identify the operators location.
schist	A crystalline metamorphic rock having a foliated or parallel structure due to the recrystallisation of the constituent minerals.
Si	The element silicon
silicic	Containing an abundance of silica; rocks which have been extensively replaced by silica are referred to as silicified.
siltstone	A rock intermediate in character between a shale and a sandstone. Composed of silt sized grains.
stratigraphic drill hole	A drill hole completed to determine the nature of rocks, rather than to identify mineral deposits, frequently applied for research or in the early stages of petroleum exploration.
strike	Horizontal direction or trend of a geological structure.
syenite	An intrusive igneous rock composed essentially of alkali feldspar, with little or no quartz and ferromagnesian minerals.
tectonic	Pertaining to the forces involved in, or the resulting structures of, movement in the earth's crust.
Triassic	Applied to the first period of the Mesozoic era, 252 to 201 million years ago.
thrust	A type of low-angle fault were the hanging wall moves up and over the footwall
basin	A large sediment-filled and fault-bounded depression resulting from extension of the crust.
ultramafic	Igneous rocks consisting essentially of ferromagnesian minerals with trace quartz and feldspar.
volcaniclastic	Pertaining to clastic rock containing volcanic material.
Zircon	A silicate of zirconium, ($ZrSiO_4$), and a very common detrital heavy mineral. Can be dated using uranium-lead methods.

APPENDIX 2:

Competent Person's Consent Form

THE MSA GROUP

Specialist Consultants to the Mining Industry

The MSA Group (Pty) Ltd
Registration No: 2000/002800/07
Tel: +27 (0)11 880 4209 Fax: +27 (0)11 880 2184
email: info@msagroupservices.com
Henley House, Greenacres Office Park:
Cnr Victory and Rustenburg Roads, Victory Park, 2195
PO Box 81356, Parkhurst, 2120, South Africa
Directors: BJ Burnand, KD Scott, NN Buthelezi, SZ Majola

Consent

I consent to the release of the Report and this Consent Statement by the directors of:

Kavango Resources plc

(Insert reporting company name)

18 April 2018

Signature of Competent Person: | Date:

South African Council for Natural Scientific Professions | 400048/04

Professional Membership:
(insert organisation name) | Membership Number:

Craig Blane, Johannesburg, South Africa

Signature of Witness: | Print Witness Name and Residence:
(eg town/suburb)

THE MSA GROUP

Specialist Consultants to the Mining Industry

The MSA Group (Pty) Ltd
Registration No: 2000/002800/07
Tel: +27 (0)11 880 4209 Fax: +27 (0)11 880 2184
email: info@msagroupservices.com
Henley House, Greenacres Office Park;
Cnr Victory and Rustenburg Roads, Victory Park, 2195
PO Box 81356, Parkhurst, 2120, South Africa
Directors: BJ Burnand, KD Scott, NN Buthelezi, SZ Majola

Competent Person's Consent Form

Pursuant to the Financial Conduct Authority's Listing Rules and Clause 9 of the JORC Code 2012 Edition (Written Consent Statement)

Report name

Cu and Ni-Cu-PGE Projects in Northern and Western Botswana; JORC Competent Persons Report

(*Insert name or heading of Report to be publicly released*) ('Report')

The MSA Group (Pty) Ltd

(*Insert name of company releasing the Report)*

Kavango Copper Project ("KCP") and Kalahari Suture Zone ("KSZ")

(Insert name of the deposit to which the Report refers)

If there is insufficient space, complete the following sheet and sign it in the same manner as this original sheet.

18 April 2018

(Date of Report)

THE MSA GROUP

Specialist Consultants to the Mining Industry

The MSA Group (Pty) Ltd
Registration No: 2000/002800/07
Tel: +27 (0)11 880 4209 Fax: +27 (0)11 880 2184
email: info@msagroupservices.com
Henley House, Greenacres Office Park;
Cnr Victory and Rustenburg Roads, Victory Park, 2195
PO Box 81356, Parkhurst, 2120, South Africa
Directors: BJ Burnand, KD Scott, NN Buthelezi, SZ Majola

Statement

I,

Michael Robertson

(Insert full name(s))

confirm that I am the Competent Person for the Report and:

- I have read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code, 2012 Edition").
- I am a Competent Person as defined by the JORC Code, 2012 Edition, having a minimum of 5 years' experience that is relevant to the style of mineralisation and type of deposit described in the Report, and to the activity for which I am accepting responsibility.
- I am Professional Geologist registered with the South African Council for Natural Scientific Professions (SACNASP), a 'Recognised Professional Organisation' ("RPO") included in a list promulgated by ASX from time to time.
- I have reviewed the Report to which this Consent Statement applies.

I am a Principal Consultant working for

The MSA Group (Pty) Ltd

(Insert company name)

and have been engaged by

Kavango Resources plc

(Insert company name)

to prepare the documentation for

Kavango Copper Project ("KCP") and the Kalahari Suture Zone ("KSZ")

(Insert deposit name)

THE MSA GROUP

Specialist Consultants to the Mining Industry

The MSA Group (Pty) Ltd
Registration No: 2000/002800/07
Tel: +27 (0)11 880 4209 Fax: +27 (0)11 880 2184
email: info@msagroupservices.com
Henley House, Greenacres Office Park;
Cnr Victory and Rustenburg Roads, Victory Park, 2195
PO Box 81356, Parkhurst, 2120, South Africa
Directors: BJ Burnand, KD Scott, NN Buthelezi, SZ Majola

on which the Report is based, for the period ended

18 April 2018

(Insert date of Resource/Reserve statement)

I have disclosed to the reporting company the full nature of the relationship between myself and the company, including any issue that could be perceived by investors as a conflict of interest.

I verify that the Report is based on and fairly and accurately reflects in the form and context in which it appears, the information in my supporting documentation relating to the Kavango Copper Project.

THE MSA GROUP

Specialist Consultants to the Mining Industry

The MSA Group (Pty) Ltd
Registration No: 2000/002800/07
Tel: +27 (0)11 880 4209 Fax: +27 (0)11 880 2184
email: info@msagroupservices.com
Henley House, Greenacres Office Park:
Cnr Victory and Rustenburg Roads, Victory Park, 2195
PO Box 81356, Parkhurst, 2120, South Africa
Directors: BJ Burnand, KD Scott, NN Buthelezi, SZ Majola

Consent

I consent to the release of the Report and this Consent Statement by the directors of:

Kavango Resources plc

(Insert reporting company name)

18 April 2018

Signature of Competent Person: | Date:

South African Council for Natural Scientific Professions | 400047/06

Professional Membership:
(insert organisation name) | Membership Number:

Craig Blane, Johannesburg, South Africa

Signature of Witness: | Print Witness Name and Residence:
(eg town/suburb)

APPENDIX 3:

Due diligence and legal opinion on Kavango's Prospecting Licenses

Collins Newman & Co...
Attorneys Notaries Conveyancers

Dinatla Court Plot 4863
PO Box 882
Gaborone
Botswana
T +267 395 2702
F +267 391 4230
partners@collinsnewman.bw
www.collinsnewman.bw

Parks Tafa
Neill Armstrong
Virgil Vergeer
LesegoGabasiane
TshepisoMpuseisang-Napo
Tsholofelo Mvungama
Candice Dubane
Anisa Nabee
Mutende Kaluzi
Wame Moloi
Sesame Moswetu
Thato Molalapata
Walter Mushi
Bone Motau
Atang Mathiba

The MSA Group (Pty) Ltd
Cnr Victory and Rustenburg Roads
Victory Park 2195
PO Box 81356
Parkhurst
SOUTH AFRICA

ATTENTION:MR. MIKE ROBERTSON
BY EMAIL:miker@msagroupservices.com

Our Ref: **NWA.tm.036548**

11 January 2018

Dear Sir,

RE: **LEGAL OPINION IN RESPECT OF KAVANGO MINERALS (PTY) LTD**

We are lawyers licensed and qualified to practise law in Botswana. We have been asked to provide a legal opinion (the "**Opinion**") to you concerning Kavango Minerals (Pty) Ltd (the "**Licence Holder**") and the following prospecting licences held by the Licence Holder:

(i) PL163/2012;
(ii) PL164/2012;
(iii) PL165/2012;
(iv) PL166/2012;
(v) PL167/2012;
(vi) PL168/2012;
(vii) PL169/2012;
(viii) PL253/2012;
(ix) PL302/2012;
(x) PL248/2014
(xi) PL509/2014;
(xii) PL510/2014;
(xiii) PL 155/2016;
(xiv) PL156/2016;and
(xv) PL 157/2016.

(collectively "the **Licences**") held by the Licence Holder under the laws of Botswana.

1. DOCUMENTS EXAMINED

1.1 In connection with this Opinion, we have examined the following documents:

1.1.1 a copy of the Licences issued by the Minister of Mineral Resources, Green Technology and Energy Security (the "**Minister**") in Botswana;

1.1.2 the records held at the Department of Mines, Ministry of Minerals Energy and Water Resources (the "**Ministry**"), in respect of the Licences;

1.1.3 The Licence Holder's records held at the Registrar of Companies and its company secretary, namely the Licence Holder's:

1.1.3.1 Constitution;

1.1.3.2 2017 Annual Return to the Companies and Intellectual Property Authority;

1.1.3.3 Share Register;

1.1.3.4 Certificate of Incorporation;

1.1.3.5 Share Certificate;

1.1.3.6 Notice of Place Where Share Registers Are Kept; and

1.1.3.7 Notice of Change of Directors.

1.2 The aforesaid inspections and searches were those deemed necessary for the Opinion.

2. ASSUMPTIONS

2.1 In giving this Opinion, we have assumed:

2.1.1 the genuineness and authenticity of all signatures and seals on all documents produced to us, the authenticity of all original documents

produced to us and the conformity to original documents of all documents produced to us as copies;

2.1.2 that the information disclosed by our search in respect of the Licences, at the Registry of the Department of Mines, carried out on 5 December 2017 and 10 January 2017, was, at that date, and remains as at the date of this Opinion, complete, accurate and up-to-date; and

2.1.3 that the information disclosed by our search in respect of secretarial records, held by the Licence Holder's company secretary and the Registrar of Companies carried out between 28 November and 5 December 2017 was, at that date, and remains as at the date of this Opinion, complete, accurate and up-to-date.

3. LICENCE HOLDER'S CORPORATE INFORMATION

3.1 The Licence Holder was incorporated as a limited liability company on 22 August 2011 under the laws of Botswana with company number 2011/7408 in accordance with Section 22 (c) of the Companies Act [CAP 42:01].

3.2 From our search of the Licence Holder's records held at the Registrar of Companies, we advise that the Licence Holder is in good standing in respect of its corporate registration in the Republic of Botswana.

3.3 The Licence Holder's corporate information reflects that it has 2 directors, namely:

3.3.1 Hilary Gumbo (resident director); and

3.3.2 Michael Moles(non-resident director).

3.4 The Licence Holder has 100 ordinary shares in issuance. The Licence Holder's share register reflects that Navasa Resources Limited is the 100% shareholder in the Licence Holder.

3.5 As required by Section 161 of the Companies Act, the Licence Holder has appointed Francis Kingsley Kpannie Tettey as its company secretary.

3.6 The Licence Holder's registered office is at Plot 1306 Government Camp Francistown.

4. **THE LICENCES**

4.1 From our review of the Licences and their accompanying documentation kept at the Department of Mines' Registry, we confirm that:

4.1.1 the Licences were all issued to the Licence Holder;

4.1.2 by establishing P O Box 301346 Francistown, Botswana as its *domicilimcitandiexecutandi* in Botswana, the Licence Holder is not prohibited from holding a prospecting licence under the Mines and Minerals Act [Cap 66:01];

4.1.3 the Licences permit the Licence Holder to prospect for metals within the respective prospecting areas;

4.1.4 the Licences are valid and in good standing; and

4.1.5 by virtue of the fact that the Minister does not appear to have given consent to an encumbrance of the Licences as required by the Act, the Licences are not encumbered.

4.1.6 The salient terms of the Licences appear in Schedule 1 to this Opinion.

5. Based on the assumptions set out in paragraph 2 above and subject to the qualifications set out in paragraph 6 below, we are of the opinion that:

5.1 As at the date of this Opinion, the Licence Holder is the registered holder of the Licences.

5.2 As at the date of this Opinion, the Licences are validly registered in the sole name of the Licence Holder at the Department of Mines and are in full force and effect and are free from any liens, charges or other encumbrances.

5.3 So far as we are aware (having made due enquiry), the Licences are in good standing.

6. **GENERAL**

This Opinion shall be governed by and construed in accordance with the Laws of Botswana and is limited to the matters expressly stated herein. This Opinion is confined to and given on the basis of the laws and practice in Botswana as at the date of this Opinion. We have made no investigation and express no opinion in relation to the laws of any

jurisdiction other than Botswana. Any action arising out of this Opinion shall be subject to the exclusive jurisdiction of the Botswana courts.

This Opinion is given for the sole benefit of the person(s) to whom it is addressed and it may not be disclosed to or relied upon by any person or used for any other purpose or referred to or made public in any way without our prior written consent.

Yours faithfully,

COLLINS NEWMAN & CO.

SCHEDULE 1

Prospecting Licence No.	Licence Holder	Commodity	Application Type	Signature Date	Date of Issue	Duration	Size (km^2)	Proposed Minimum Expenditure (BWP)
PL163/2012	Kavango Minerals (Pty) Ltd	Metals	Renewal	21/11/2017	24/11/2017	01/01/2018 to 31/12/2019	497.4	Year 1: BWP 605 000.00 Year 2:BWP 465 000.00
PL164/2012	Kavango Minerals (Pty) Ltd	Metals	Renewal	21/11/2017	24/11/207	01/01/2018 to 31/12/2019	493.8	Year 1: BWP 605 000.00 Year 2:BWP 465 000.00
PL 165/2012	Kavango Minerals (Pty) Ltd	Metals	Renewal	21/11/2017	24/11/2017	01/01/2018 to 31/12/2019	457.3	Year 1: BWP 505 000.00 Year 2:BWP 465 000.00
PL 166/2012	Kavango Minerals (Pty) Ltd	Metals	Renewal	21/11/2017	24/11/2017	01/01/2018 to 31/12/2019	493.8	Year 1: BWP 555 000.00 Year 2:BWP 465 000.00
PL 167/2012	Kavango Minerals (Pty) Ltd	Metals	Renewal	21/11/2017	24/11/2017	01/01/2018 to 31/12/2019	432.4	Year 1: BWP 555 000.00 Year 2:BWP 465 000.00
PL 168/2012	Kavango Minerals (Pty) Ltd	Metals	Renewal	21/11/2017	24/11/2017	01/01/2018 to 31/12/2019	436.5	Year 1: BWP 505 000.00 Year 2:BWP 465 000.00
PL 169/2012	Kavango Minerals (Pty) Ltd	Metals	Renewal	21/11/2017	24/11/2017	01/01/2018 to 31/12/2019	469.2	Year 1: BWP 555 000.00 Year 2:BWP 465 000.00

PL 253/2012	Kavango Minerals (Pty) Ltd	Metals	Renewal	21/11/2017	24/11/2017	01/01/2018 to 31/12/2019	447	Year 1: BWP 500 000.00 Year 2:BWP 500 000.00
PL 302/2012	Kavango Minerals (Pty) Ltd	Metals	Renewal	21/11/207	24/11/2017	01/01/2018 to 31/12/2019	230	Year 1: BWP 200 000.00 Year 2:BWP 496 000.00
PL 248/2014	Kavango Minerals (Pty) Ltd	Metals	Renewal	21/11/2017	24/11/2017	01/01/2018 to 31/12/2019	192	Year 1: BWP 200 000.00 Year 2:BWP 496 000.00
PL 509/2014	Kavango Minerals (Pty) Ltd	Metals	Renewal	21/11/2017	24/11/2017	01/01/2018 to 31/12/2019	413	Year 1: BWP 585 000.00 Year 2:BWP 455 000.00
PL 510/2014	Kavango Minerals (Pty) Ltd	Metals	Renewal	21/11/2017	24/11/2017	01/01/2018 to 31/12/2019	498.6	Year 1: BWP 585 000.00 Year 2:BWP 455 000.00
PL 155/2016	Kavango Minerals (Pty) Ltd	Metals	New Licence	17/11/2016	19/01/2017	01/01/2017 to 31/12/2019	975	Year 1: BWP 380 000.00 Year 2:BWP 890 000.00 Year 3:BWP 1,290 000.00
PL 156/2016	Kavango Minerals (Pty) Ltd	Metals	New Licence	17/11/2016	19/01/2017	01/01/2017 to 31/12/2019	977	Year 1: BWP 380 000.00 Year 2:BWP 890 000.00 Year 3:BWP 1,290 000.00
PL 157/2016	Kavango Minerals (Pty) Ltd	Metals	New Licence	17/11/2016	19/01/2017	01/01/2017 to 31/12/2019	781	Year 1: BWP 305 000.00 Year 2:BWP 735 000.00 Year 3:BWP

								1,135 000.00

PART XII (A)

ACCOUNTANT'S REPORT ON THE HISTORIC FINANCIAL INFORMATION OF KAVANGO RESOURCES PLC

PKF Littlejohn LLP

The Directors
Kavango Resources Plc
42 New Broad Street
London
United Kingdom
EC2M 1JH

10 July 2018

Dear Sirs

Kavango Resources Plc (the "Company")

Introduction

We report on the historic financial information (the "Financial Information") relating to Kavango Resources Plc ("the Company") set out in this Part X11 (B) of the prospectus (the "Document"). This information has been prepared for inclusion in the Document dated 10 July 2018 relating to the proposed admission to the LSE (Standard) of Kavango Resources Plc and on the basis of the accounting policies set out in note 2. This report is given for the purpose of complying with Annex 1 item 20.1 of Commission Regulation (EC) No. 809/2004 (the "Prospectus Directive Regulation") and is given for the purpose of complying with that requirement and for no other purpose.

Responsibility

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

It is our responsibility to form an opinion on the Financial Information, and to report our opinion to you. Save for any responsibility arising under Prospectus Rule 5.5.3R (2) (f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Annex I item 23.1 to Commission Regulation (EC) No. 809/2004, consenting to its inclusion in the Prospectus.

Basis of opinion

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

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

Opinion

In our opinion, the Financial Information gives, for the purpose of the Prospectus dated 10 July 2018, a true and fair view of the state of affairs of Kavango Resources Plc as at 31 December 2017 and of its results, cash flows and changes in equity for the period then ended in accordance with the applicable financial reporting framework and has been prepared in a form that is consistent with the accounting policies adopted by the Company.

Declaration

For the purposes of Prospectus Rule 5.5.3R (2)(f) we are responsible for this report as part of the Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Document in compliance with Annex I item 1.2 of the Commission Regulation (EC) No. 809/2004.

Yours faithfully

PKF Littlejohn LLP

Reporting Accountants

PART XII (B)

HISTROICAL FINANCIAL INFORMATION ON THE COMPANY

Statement of Financial Position

The statement of financial position of the Company as at 31 December 2017 is set out below:

	Note	As at 31 December 2017 (Audited) US$
Assets		
Non-current assets		
Investments	10	3,510,410
Current assets		
Cash and cash equivalents		348,653
Other current assets	4	135,504
Total assets		**3,994,568**
Equity and liabilities		
Capital and reserves		
Share capital	8	100,063
Share premium		3,760,890
Accumulated deficit		-
Total equity attributable to equity holders		3,860,952
Current liabilities		
Accounts payable and accrued liabilities	5	133,615
Total liabilities		**133,615**
Total equity and liabilities		**3,994,568**

Statement of Comprehensive Income

The statement of comprehensive income of the Company from the date of incorporation on 31 May 2017 to 31 December 2017 is set out below:

	Note	Period ended 31 December 2017 (Audited) US$
Revenue		-
Administrative expenses		-
Operating loss and loss on ordinary activities before taxation		-
Income tax expense		-
Loss after taxation		-
Loss for the period		-
Other comprehensive income		-
Total comprehensive loss attributable to owners of the parent		-
Earnings per share:		
Basic and diluted (US$)		-

Statement of Changes in Equity

The statement of changes in equity of the Company from the date of incorporation on 31 May 2017 to 31 December 2017 is set out below:

	Share capital US$	Share Premium US$	Accumulated deficit US$	Total US$
On incorporation on 31 May 2017	**94,438**	**-**	**-**	**94,438**
Comprehensive income				
Loss for the period	-	-	-	-
Total comprehensive income for the period	-	-	-	-
Transaction with owners				
Shares issue	5,624	3,771,487		3,777,111
Share issue costs		(10,597)		(10,597)
Total transaction with owners	-	-	-	-
As at 31 December 2017 (Audited)	**100,063**	**3,760,890**	**-**	**3,860,952**

Share capital comprises the Shares issued by the Company.

Retained earnings represent the aggregate retained earnings of the Company.

Statement of Cash Flows

The cash flow statement of the Company from the date of incorporation on 31 May 2017 to 31 December 2017 is set out below:

	Period ended 31 December 2017 (Audited) US$
Cash flow from operating activities	
Loss for the period before taxation	-
Adjustments	-
Operating cash flows before movements in working capital	**-**
Increase in debtors	(135,504)
Increase in payables	133,615
Net cash generated from operating activities	**(1,889)**
Issue of Shares	350,542
Net cash inflow from financing activities	**350,542**
Net increase in cash and cash equivalents	**348,653**
Cash and cash equivalent at beginning of period	-
Cash and cash equivalent at end of period	**348,653**

Notes to the Financial Information

1. General information

The Company is a newly established company incorporated in United Kingdom under the Companies Act 2006. The Company was incorporated on 31 May 2017 as a private limited company and re-registered as a public limited company on 28 December 2017. The Company's registered number is 10796849 and its registered office is at 42 New Broad Street, London, United Kingdom, EC2M 1JH.

2. Significant Accounting Policies

Basis of preparation

The principal accounting policies adopted by the Company in the preparation of the financial information are set out below.

The financial information has been presented in US Dollar (US$), being the functional currency of the Company.

The financial information has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"), including interpretations made by the International Financial Reporting Interpretations Committee (IFRIC) issued by the International Accounting Standards Board (IASB). The standards have been applied consistently.

Comparative figures

No comparative figures have been presented as the financial information covers the period from incorporation on 31 May 2017 to 31 December 2017.

Standards and interpretations issued but not yet applied

(i) New and amended standards mandatory for the first time for the financial period beginning 31 May 2017

There were no IFRS or IFRC interpretations that were effective for the first time for the financial period beginning 31 May 2017 that had a material impact on the company.

(ii) New standards, amendments and Interpretations in issue but not yet effect of not yet endorses and not early adopted

The standards and interpretations that are relevant to the company, issued, but not yet effective, up to the date of the Financial Statements are listed below. The company intend to adopt these standards, if applicable, when they become effect.

Standard	Impact on initial application	Effective date
IAS 7 (amendments)	Disclosure Initiative	*1 January 2017
IAS 12 (amendments)	Recognition of Deferred Tax	*1 January 2017
IFRS 9	Financial Instruments	1 January 2018
IFRS 15	Revenue from Contracts with Customers	1 January 2018
IFRS 16	Leases	*1 January 2019
Annual Improvements	2014 – 2016 Cycle	*1 January 2017

Financial assets

The Directors determine the classification of the Company's financial assets at initial recognition. The financial assets held comprise cash and cash equivalents and other receivables. These are classified as loans and receivables.

Impairment of financial assets

The company assesses at the end of each reporting year whether there is objective evidence that a financial asset, or a group of financial assets, is impaired. A Financial asset, or a group of financial assets, is impaired, and impairment losses are incurred, only if there is objective evidence of impairment as a result of one of more events that occurred after the initial recognition of the asset (a "loss event"), and that loss event (or events) has an impact on the estimated future cash flows of the financial asset, or group of financial assets, that can be reliably estimated.

The criteria that the Company uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligator;
- A breach of contract, such as a default or delinquency in interest or principal repayments.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced, and the loss is recognised in the Income Statement.

If, in a subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the trade and other receivables credit rating), the reversal of the previously recognised impairment loss is recognised in the Statement of Comprehensive Income.

Financial liabilities

The Directors determine the classification of the Company's financial liabilities at initial recognition. The financial liabilities held comprise other payables and accrued liabilities and these are classified as loans and receivables.

Cash and cash equivalents

The Company considers any cash on short-term deposits and other short term investments to be cash equivalents.

Share capital

Shares are recorded at nominal value and proceeds received in excess of nominal value of Shares issued, if any, are accounted for as share premium. Both share capital and share premium are classified as equity. Costs incurred directly to the issue of Shares are accounted for as a deduction from share premium, otherwise they are charged to the income statement.

Current and deferred income tax

The tax charge represents tax payable less a credit for deferred tax. The tax payable is based on profit for the year. Taxable profit differs from the loss for the year as reported in the Consolidated Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items of income or expense that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the Statement of Financial Position date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

Going concern

The financial information has been prepared on the assumption that the Company will continue as a going concern. Under the going concern assumption, an entity is ordinarily viewed as continuing in business for the foreseeable future with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors pursuant to laws or regulations. In assessing whether the going concern assumption is appropriate, the Directors take into account all available information for the foreseeable future, in particular for the twelve months from the date of approval of the financial information.

Following the review of ongoing performance and cash flows, the Directors have a reasonable expectation that the Company has adequate resources to continue operational existence for the foreseeable future. The Directors have based the going concern opinion on fact that the Company has (conditional only on Admission) raised £1,435,000 net proceeds pursuant to the Subscription.

3. Business Segments

For the purpose of IFRS8, the Chief Operating Decision Maker "CODM" takes the form of the board of directors. The Directors are of the opinion that the business of the Company comprises a single activity, being the identification and acquisition of target companies or business operating in the mineral exploration sector. As such the financial information of the segment is the same as that set out in the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the statement of cash flows.

4. Trade and other receivables

	As at 31 December 2017 US$
Prepayments	135,504
	135,504

5. Trade and other payables

	As at 31 December 2017 US$
Trade payables	50,976
Accruals and other payables	82,639
	133,615

6. Director's emoluments

No emoluments were paid to the Directors during the period under review. The Directors were the key management personnel.

7. Taxation

The Company is subject to income tax at a rate of twenty per cent., as at 31 December 2017.

Tax charged:

	As at 31 December 2017 US$
Current taxation	-
Deferred taxation	-
	-

	As at 31 December 2017 US$
Loss before tax	-
Corporation tax @ 20%	-
Losses for which no deferred tax is recognised	-
Total tax charge	-

The Company has tax losses of nil to carry forward against future profits. No deferred tax asset has been recognized.

8. Share capital

	As at 31 December 2017 US$
Issued and fully paid	100,063
	100.063

Reconciliation of number of shares outstanding	*Number*
Opening balance	15,000,000
Shares issued	59,169,996
Shares repurchased	-
Closing balance	74,169,996

On 31 May 2017, the Company was incorporated and had an issued share capital of 15,000,000 Shares of £0.001 each. The shares were issued at par with no premium arising thereon.

On 27 October 2017 10,630,000 Pre-IPO Fundraising Shares were allotted and issued, pursuant to the Pre-IPO Fundraising at a price of US$0.001 per Ordinary Share.

On 7 December 2017 the Company acquired Navassa Resources Ltd for a purchase price of US$3.5 million (£2.6 million) through the issue 44,370,000 new ordinary shares of £0.001.

On ● December 2017 4,169,996 Pre-IPO Fundraising Shares were allotted and issued, pursuant to the Pre-IPO Fundraising at a price of US$0.06 per Ordinary Share

9. Earnings per share

The calculation for earnings per Founder Share (basic and diluted) for the relevant period is based on the profit after income tax attributable to equity Shareholder for the period from incorporation on 31 May 2017 to 31 December 2017 and is as follows:

Loss attributable to equity Shareholders (US$)	-
Weighted average number of Shares	29,971,428
Earnings per Share (US$)	-

Earnings and diluted earnings per Founder Share are calculated using the weighted average number of Founder Shares and further share issues during the period. There were no dilutive potential Founder Shares outstanding during the period.

10. Investments in subsidiaries

The following were subsidiary undertakings of the Company, all of which had the principal activity mineral exploration:

Name	Country of incorporation	Class of shares	Holding
Navassa Resources Ltd	Mauritius	Common stock	100 %
Kavango Resources (Pty) Ltd	Botswana	Ordinary shares	100 %

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the Parent Company does not differ from the proportion of ordinary shares held. The Parent Company does not have any shareholdings in the preference shares of subsidiary undertakings included in the Group.

Name	Registered office
Navassa Resources Ltd	Level 3, Alexander House 35 Cybercity Ebene 72201 Mauritius
Kavango Resources (Pty) Ltd	Plot: 1306, Government Camp, Francistown, Botswana

11. Commitments

The Company had not entered into any material capital commitments as at 31 December 2017.

12. Financial instruments – risk management

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

Financial instruments

The financial instruments used by the Company, from which financial instrument risk arises, are other receivables of US$15,000.

The risk associated with the other payables is that the Company will not receive the funds due. The Directors seek to minimize such risk by performing due diligence on all parties from whom monies are owed

General objectives, policies and processes

The Directors have overall responsibility for the determination of the Company's risk management objectives and policies. Further details regarding these policies are set out below:

Credit risk

The Company's credit risk arises from cash and cash equivalents with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "A" are accepted.

Liquidity risk

Liquidity risk arises from the Directors' management of working capital. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Directors' policy is to ensure that the Company will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, the Directors seek to maintain a cash balance sufficient to meet expected requirements for a period of at least 45 days.

The Directors have prepared cash flow projections on a monthly basis through to December 2019. At the end of the period under review, these projections indicated that the Company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

13. Capital risk management

The Directors' objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for Shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. At the date of this financial information, the Company had been financed from equity. In the future, the capital structure of the Company is expected to consist of borrowings and equity attributable to equity holders of the Company, comprising issued share capital and reserves.

14. Ultimate controlling party

The Directors consider there to be no ultimate controlling party as no Shareholder owns more than 50 per cent. of the share capital of the company.

15. Nature of financial information

The financial information presented above does not constitute statutory financial statements for the period under review.

PART XII (C)

ACCOUNTANT'S REPORT ON THE HISTORIC FINANCIAL INFORMATION OF NAVASSA RESOURCES LTD

PKF Littlejohn LLP

The Directors
Level 3,
Alexander House,
35 Cybercity,
Ebene,
72201,
Mauritius

10 July 2018

Dear Sirs

Navassa Resources Ltd (the "Company")

Introduction

We report on the historic financial information (the "Financial Information") relating to Navassa Resources Ltd ("Navassa") set out in this Part XII (D) of the prospectus (the "Document").. This Financial Information has been prepared for inclusion in the prospectus dated 10 July 2018 (the "Prospectus") of Kavango Resources Plc on the basis of the accounting policies set out in Note 2 of the Financial Information. This report is required by Annex 1 item 20.1 of Commission Regulation (EC) No. 809/2004 and is given for the purpose of complying with that requirement and for no other purpose.

Responsibility

The directors of the Company (the "Directors") are responsible for preparing the Financial Information in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"). It is our responsibility to form an opinion on the Financial Information and to report our opinion to you.

Save for any responsibility arising under Prospectus Rule 5.5.3R (2) (f) to any person as and to the extent there provided, and save for any responsibility that we have expressly agreed in writing to assume, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Annex I item 23.1 to Commission regulation (EC) 809/2004, consenting to its inclusion in the Prospectus.

Basis of opinion

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

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

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, the Financial Information gives, for the purposes of the Prospectus dated 10 July 2018 a true and fair view of the state of affairs of Navassa Resources Ltd as at 31 December 2015, 2016 and 2017 and of its loss, cash flows and changes in equity for the period then ended in accordance with IFRS as adopted by the European Union.

Declaration

For the purposes of Prospectus Rule 5.5.3R (2)(f) we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Annex I item 1.2 of Commission Regulation (EC) 809/2004.

Yours faithfully

PKF Littlejohn LLP

Reporting Accountants

PART XII (D)

ACCOUNTANT'S REPORT ON THE HISTORIC FINANCIAL INFORMATION OF NAVASSA RESOURCES LTD

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	31 December 2017 US$ (Audited)	31 December 2016 US$ (Audited)	31 December 2015 US$ (Audited)
Administrative expenses	**5**	(10,514)	(7,800)	(7,052)
Other Income		50,000	-	75,000
Foreign exchange on conversion of loans		63,212	-	-
Loss before taxation		102,698	(7,800)	67,948
Taxation	**7**	-	-	-
Loss after taxation		102,698	(7,800)	67,948
Other Comprehensive income				
To be reclassified to the income statement Foreign exchange gain/(loss)		121,010	6,967	(14,029)
Loss and total comprehensive income for the year		**223,708**	**(833)**	**53,919**
Earnings per share				
Earnings per share basic	**8**	**(US$0.066)**	**(US$0.007)**	**(US$0.076)**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	31 December 2017 US$ (Audited)	31 December 2016 US$ (Audited)	31 December 2015 US$ (Audited)
Non-current assets				
Intangible assets	**9**	2,234,016	2,005,953	1,638,222
Fixed assets		1,610	2,221	9,956
Total non-current assets		2,235,626	2,008,174	1,648,178
Current assets				
Trade and other receivables	**10**	6,751	42,711	37,076
Cash and cash equivalents	**11**	37,764	18,748	52,349
Total current assets		44,515	61,459	89,425
Total assets		**2,280,141**	**2,069,633**	**1,737,603**
Current Liabilities				
Trade and other payables	**12**	12,616	6,592	4,893
Amounts due to shareholders		34,897	763,343	632,179
Total Liabilities		47,513	769,935	632,179
Net current assets		**(2,998)**	**(708,476)**	**(547,647)**
Net assets		**2,232,629**	**1,299,698**	**1,100,531**
Equity				
Called up share capital	**13**	1,909,223	1,200,000	1,000,000
Retained earnings		220,131	117,433	125,233
Foreign exchange reserve		103,275	17,735)	(24,702)
Total equity		**2,232,629**	**1,299,698**	**1,100,531**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Notes	Share capital US$	Retained earnings US$	Foreign exchange reserve	Total equity US$
Balance at 1 January 2015		**800,000**	**57,285**	(10,673)	**846,612**
Profit for the year		-	67,948	-	67,948
Foreign exchange gain/(loss)		-	-	(14,029)	(14,029)
Total comprehensive income for the year		-	67,948	(14,029)	53,919
Issue of shares net of issue costs	**13**	200,000	-	-	200,000
Balance at 31 December 2015 (audited)		**1,000,000**	**125,233**	(24,702)	**1,100,531**
Loss for the year		-	(7,800)	-	(7,800)
Foreign exchange gain/(loss)		-	-	6,967	6,967
Total comprehensive income for the year		-	(7,800)	6,967	(833)
Issue of shares net of issue costs	**13**	200,000	-	-	200,000
Balance at 31 December 2016 (audited)		**1,200,000**	**117,433**	**(17,735)**	**1,299,698**
Loss for the year		-	102,698	-	102,698
Foreign exchange gain/(loss)		-	-	121,010	121,010
Total comprehensive income for the year			102,698	121,010	223,708
Issue of shares net of issue costs	**13**	709,223	-	-	709,223
Balance at 31 December 2017 (audited)		**1,909,223**	**220,131**	**103,275**	**2,232,629**

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	31 December 2017 US$ (audited)	31 December 2016 US$ (audited)	31 December 2015 US$ (audited)
Cash flows from operating activities				
Profit/(Loss) before taxation		102,698	(7,800)	67,948
Adjustment for:				
Foreign exchange		102,398	14,596	65,140
Net cash flows used in operating activities before changes in working capital		205,096	6,796	133,088
Decrease in trade and other receivables	**10**	35,960	(5,365)	(10,934)
Increase in trade and other payables	**12**	6,023	1,699	683
Net cash inflow from operating activities		**247,079**	**3,130**	**122,837**
Investing activities				
Purchase of intangible assets		(228,063)	(161,731)	(375,227)
Net cash used in investing activities		**(228,063)**	**(161,731)**	**(375,227)**
Financing activities				
Loans		-	(25,000)	-
Proceeds from issue of shares net of issue costs		-	150,000	150,000
Net cash generated from financing activities		**-**	**125,000**	**150,000**
Net increase/(decrease) in cash and cash equivalents		**19,016**	**(33,601)**	**(102,390)**
Cash and cash equivalents at beginning of year		18,748	52,349	154,739
Cash and cash equivalents at end of year	**11**	**37,764**	**18,748**	**52,349**

Non – cash transactions: In 2015 USD 237,091 of Director loans arose in respect of services provided in respect of work performed in relation to the Intangible Assets.

In 2016 USD 156,163 of Director loans arose in respect of services provided in respect of work performed in relation to the Intangible Assets.

1. Corporate information

The principal activity of Navassa Resources Ltd (the Company) and its subsidiary Kavango Resources (Pty) Ltd (together the "Group") is the exploration of nickel in Botswana.

The Company is incorporated and domiciled in Mauritius. The address of its registered office is Level 3, Alexander House 35 Cybercity Ebene 72201 Mauritius.

2. Significant Accounting policies

The financial information has been prepared in accordance with IFRS as adopted by the European Union. The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts in the financial statements. The areas involving a higher degree of judgement and complexity, or areas where assumptions or estimates are significant to the financial statements are disclosed in note 3.

The financial information is presented in USD (US$), which is the Group's presentational currency and is currently also the Company's functional currency.

This Financial Information has been prepared for the sole purpose of publication within this Prospectus. It has been prepared in accordance with the requirements of the Prospectus Rules for Companies of the London Stock Exchange plc and has been prepared in accordance with International Financial Reporting Standards and IFRS interpretations Committee (IFRS IC) interpretations as adopted by the European Union ("IFRS") and the policies stated elsewhere within the Financial Information. The Financial Information does not constitute statutory accounts.

The Financial Information has been prepared under the historical cost convention.

The Group has adopted all applicable IFRS's in force as at 31 December 2015, 2016 and 2017.

At 31 December 2017, the following new and revised IFRSs relevant to the company are issued but are not yet effective:

	Effective date
IFRS 9 Financial Instruments	1 January 2018
IFRS 15 Revenue from Contracts with Customers	1 January 2018
IFRS 16 Leases	1 January 2019

*Not yet endorsed for use in the EU

- IFRS 9 will impact both the recognition, measurement and disclosures of financial instruments. The Company is currently assessing the impact of the revisions, a process expected to be finalised during the year ending 31 December 2018. Until such assessment is completed it is not practical to provide an estimate of the full effect of IFRS 9.

- IFRS15 'Revenue from Contracts with Customers' sets out new revenue recognition criteria that will be applicable from 1 January 2018 and its effect is dependent on generating revenue in the period. The Company is currently in the process of assessing the impact of the implementation of this standard and therefore the full effect of the standard has not yet been determined.

2. Significant Accounting policies *(continued)*

- IFRS 16 'Leases'. IFRS 16 requires lessees to recognise a lease liability reflecting future lease payments and a 'right of use asset' for virtually all lease contracts. This is effective for the period beginning on 1 June 2018, with earlier adoption permitted if IFRS 15 'Revenue from contracts with customers' is also applied. The Group has not yet assessed the full effect of this standard.

Of the other IFRSs and IFRICs, none are expected to have a material effect on future company financial statements.

A) Basis of consolidation

Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. De-facto control exists in situations where the Company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists the Company considers all relevant facts and circumstances, including:

- The size of the Company's voting rights relative to both the size and dispersion of other parties who hold voting rights
- Substantive potential voting rights held by the Company and by other parties
- Other contractual arrangements
- Historic patterns in voting attendance

B) Going concern

The financial information is presented on a going concern basis.

The directors have a reasonable expectation that the Company and the Group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the Financial Information.

C) Intangible Assets

Exploration and evaluation costs

The Group capitalises expenditure in relation to exploration and evaluation of mineral assets when the legal rights are obtained. Expenditure included in the initial measurement of exploration and evaluation assets and which are classified as intangible assets relate to the acquisition of rights to explore, topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, sampling and activities to evaluate the technical feasibility and commercial viability of extracting a mineral resource.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The assessment is carried out by allocating exploration and evaluation assets to cash generating units, which are based on specific projects or geographical areas. Whenever the exploration for and evaluation of mineral resources does not lead to the discovery of commercially viable quantities of mineral resources or the Group has decided to discontinue such activities of that unit, the associated expenditures are written off to profit or loss.

2. Significant Accounting policies *(Continued)*

D) Taxation and deferred tax

Income tax expense represents the sum of the current tax and deferred tax charge for the year.

The liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial information and the corresponding tax bases, and is accounted for using the balance sheet liability method.

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Judgement is applied in making assumptions about future taxable income, including oil and gas prices, production, rehabilitation costs and expenditure to determine the extent to which the Group recognises deferred tax assets, as well as the anticipated timing of the utilisation of the losses.

Deferred tax is calculated at the tax rates that have been enacted or substantively enacted and are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

E) Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into USD at the rates of exchange prevailing at the reporting date. Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Exchange differences are taken to the statement of comprehensive income.

F) Other income

Other income represents monies received in respect of an option agreement. Amounts are recognised when the right to receive the payment is established.

G) Borrowings

Borrowings are recorded initially at fair value, net of attributable transaction costs. Borrowings are subsequently carried at their amortised cost and finance charges, including any premium payable on settlement or redemption, are recognised in the profit or loss over the term of the instrument using the effective rate of interest.

H) Financial instruments

Financial instruments are recognised when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the Financial Information, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2. Significant Accounting policies *(Continued)*

Loans and receivables

All financial assets fall into the loans and receivables category.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Financial assets included in loans and receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest rate method, less any impairment losses.

F) Financial instruments (continued)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

A provision for impairment is made when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the loss event has an impact on the estimated future cash flows of the financial asset.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

Impaired debts are derecognised when they are assessed as uncollectible.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Financial liabilities

All financial liabilities fall into the other financial liabilities category.

Other financial liabilities

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of other financial liabilities

Financial liabilities are derecognised when contractual obligations expire or are discharged or cancelled.

I) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

J) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of a company after deducting all of its liabilities. Equity instruments issued are recorded at the proceeds received net of direct issue costs.

Share capital represents the amount subscribed for shares at nominal value.

Retained earnings include all current and prior period results as disclosed in the statement of comprehensive income, less dividends paid to the owners of the parent.

3. Critical accounting estimates and judgements in applying accounting policies

In the application of accounting policies the Directors are required to make judgements, estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. The estimates and associated assumptions are based on historical experience, expectations of future events and other factors that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period.

i) *Valuation of exploration, evaluation and development expenditure* - The value of the Group's exploration, evaluation and development expenditure will be dependent upon the success of the Group in discovering economic and recoverable mineral resources, especially in the countries of operation where political, economic, legal, regulatory and social uncertainties are potential risk factors. The future revenue flows relating to these assets is uncertain and will also be affected by competition, relative exchange rates and potential new legislation and related environmental requirements. The Group's ability to continue its exploration programs and develop its projects is dependent on future fundraisings the outcome of which is uncertain. The ability of the Group to continue operating within Ghana is dependent on a stable political environment which is uncertain based on the history of the country. This may also impact the Group's legal title to assets held which would affect the valuation of such assets. There have been no changes made to any past assumptions.

4. Segmental disclosures

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segment and that make strategic decisions, has been identified as the Board of Directors. No revenue was generated during the period.

During the years presented the Group operated in one segment, being the evaluation of a nickel project in Botswana. The Parent Company serves as an administrative head office and is based in Mauritius. The Group's operations spanned Mauritius and Botswana.

Segment result

Continuing operations	**31 December 2017 US$**	**31 December 2016 US$**	**31 December 2015 US$**
Nickel project	-	-	-
Administration and Corporate	(10,514)	(7,800)	(7,052)
Other Income	50,000	-	75,000
Profit/(Loss) before tax	39,486	(7,800)	67,948
Income tax credit	-	-	-
Profit/(Loss) after tax	39,486	(7,800)	67,948

Segment assets and liabilities

	Non-Current Assets			**Non-Current Liabilities**		
	31 December 2017 US$	**31 December 2016 US$**	**31 December 2015 US$**	**31 December 2017 US$**	**31 December 2016 US$**	**31 December 2015 US$**
Nickel Project (Botswana)	2,234,016	2,005,953	1,638,222	-	-	-
Administration and Corporate (Mauritius)	-	-	-	-	-	-
Total of all segments	2,234,016	2,005,953	1,638,222	-	-	-
	Total Assets			**Total Liabilities**		
	31 December 2017 US$	**31 December 2016 US$**	**31 December 2015 US$**	**31 December 2017 US$**	**31 December 2016 US$**	**31 December 2015 US$**
Nickel Project (Botswana)	2,257,981	2,056,020	1,699,561	10,087	738,390	582,171
Administration and Corporate (Mauritius)	22,160	13,613	38,042	37,426	31,545	54,900
Total of all segments	2,280,141	2,069,633	1,737,603	47,513	769,935	637,072

5. Expenses by nature

Profit/(Loss) from operations is stated after charging:

	2017 US$	**2016 US$**	**2015 US$**
Administration expenses	10,514	7,800	7,052
	10,514	**7,800**	**7,052**

6. Employees

	31 December 2017	**31 December 2016**	**31 December 2015**

	US$	US$	US$
Employment costs consist of:			
Wages and salaries including any Social security costs	8,660	26,385	98,092
	8,660	26,385	98,092

The average monthly number of employees employed by Kavango Minerals (Pty) Ltd in Botswana during 2017 was 9 *(2016:9, 2015:15)*. Employees are paid in Botswana Pula. The amounts detailed above were capitalised in intangible assets in all of the periods stated.

7. Taxation

	31 December 2017 US$	31 December 2016 US$	31 December 2015 US$
Current taxation	-	-	-
Deferred taxation	-	-	-
	-	-	-
Profit before tax	102,698	(7,800)	67,948
Tax at the applicable rate of 15%	15,405	1,170	10,192
Profits not subject to tax	(15,405)	-	(10,192)
Tax losses carried forward	-	(1,170)	-
Current tax	-	-	-

Deferred tax has not been recognised in accordance with IAS 12 due to uncertainty as to when profits will recognised against which the losses can be relieved. No tax charge has been recognised as under Botswanan law the company did not trade during the year which is the location in which the profits were generated.

8. Earnings per share

	31 December 2017 US$	31 December 2016 US$	31 December 2015 US$
Earnings per Share (basic)	US$0.066	US$(0.007)	US$0.076

The basic loss per share is derived by dividing the loss for the period attributable to ordinary shareholders by the weighted average number of shares in issue.

Profit/(Loss) for the year from continuing operations (used in calculation of basic EPS from continuing operations)	US$102,698	US$(7,800)	US$67,948
Weighted average number of Ordinary shares in issue	1,554,612	1,100,000	900,000

Diluted earnings per share has not been calculated in accordance with IAS 33 as the Group is loss making.

9. Intangible assets

	2017	2016	2015
Evaluation and Exploration Assets – Cost and net book value	**US$**	**US$**	**US$**
At period start (1 January)	**2,005,953**	**1,638,222**	**1,020,898**
Additions	228,063	367,731	617,324
At period end (31 December)	**2,234,016**	**2,005,953**	**1,638,222**

10. Other current assets

	31 December 2017 US$	31 December 2016 US$	31 December 2015 US$
Other receivables	6,751	42,711	37,076

All Other current assets are stated in US Dollars.

11. Cash

	31 December 2017 US$	31 December 2016 US$	31 December 2015 US$
Cash and cash equivalents	37,764	18,748	52,349
	37,764	18,748	52,349

Cash and cash equivalents consist of balances in bank accounts used for normal operational activities. The bank account is held within an institution with a credit rating of A-1.

All cash and cash equivalents are stated in US Dollars.

12. Trade and Other Payables

	31 December 2017 US$	31 December 2016 US$	31 December 2015 US$
Other payables	12,616	6,592	4,893
	12,616	6,592	4,893

Trade and other payables principally comprise amounts outstanding for corporate services.

All trade and other payables are denominated in US Dollars.

13. Share capital

	Number of shares	Share capital US$	Total US$
Issued and fully paid			
As at 1 January 2015	**800,000**	**800,000**	**800,000**
As at 31 December 2015	**1,000,000**	**1,000,000**	**1,000,000**
As at 31 December 2016	**1,200,000**	**1,200,000**	**1,200,000**
As at 31 December 2017	**1,909,223**	**1,909,223**	**1,909,223**

14. Amounts due to shareholders

	31 December 2017	31 December 2016	31 December 2015

	US$	US$	US$
Amounts due to shareholders	34,897	763,343	632,179
			632,179
	34,897	763,343	

The amounts are denominated in both US Dollars and Botswana Pula. The shareholder advances are unsecured and have been settled in full, either by conversion to equity or repayment.

15. Financial instruments

The Board of Directors determine, as required, the degree to which it is appropriate to use financial instruments or other hedging contracts or techniques to mitigate risk. The main risk affecting such instruments is foreign currency risk which is discussed below.

There is no material difference between the book value and fair value of the Group cash balances, and the short-term receivables and payables because of their short maturities.

Credit risk

Financial assets which potentially subject the holder to concentrations of credit risk consist principally of cash balances. These balances are all held at a recognised financial institution. The maximum exposure to credit risk is US$ 37,764 (2016: US$18,748, 2015:US$52,349). The Company and Group does not hold any collateral as security.

Market risk

Market risk arises from the Group's use of interest bearing and foreign currency financial instruments. It is the risk that future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), and foreign exchange rates (currency risk). The exposure to this risk is not considered, for the time being, to be material and as such, as present no hedging or other arrangements have been put in place to mitigate this risk.

15. Financial instruments (continued)

Currency risk

No disclosures have been in relation to market rate on the grounds of materiality.

Liquidity risk

Liquidity risk arises from the possibility that the Group and its subsidiaries might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. In addition to equity funding, additional borrowings have been secured to finance operations. The Company manages this risk by monitoring its financial resources and carefully planning its expenditure programmes.

Capital

The Company considers its capital to comprise its ordinary share capital and retained deficit. In managing its capital, the Director’s primary objective is to maintain a sufficient funding base to enable the Group to meet its working capital and strategic investment needs. In making decisions to adjust its capital structure to achieve these aims, through new share issues, the Group considers not only their short-term position but also their long term operational and strategic objectives.

16. Subsidiaries

At 31 December 2017, the Group consists of the following subsidiaries, which are wholly owned by the Company.

Company	Country of Incorporation	Proportion of voting rights and equity interest	Principal Activity

		held	
Kavango Minerals (Pty) Ltd	Botswana	100%	Mineral Exploration

17. Commitments

There were no commitments at any of the reporting dates.

18. Related party transactions

Related Party Transactions consist of:

(1) The share of rent, utilities and other administrative costs was paid by 3D Exploration Limited a company owned by Hillary Gumbo, a Director of Navassa Resources Ltd and billed to Kavango Minerals (Pty) Ltd;

(2) Amounts billed to Kavango Minerals (Pty) Ltd for services rendered by each of Charles Michael Moles and Hillary Gumbo, both Directors of Navassa Resources Ltd.

(3) Technical and consulting services provided by 3D Exploration Limited;

(4) An advance made to Navassa Resources Ltd by Charles Michael Moles, a Director

The following table summarises related party transactions by year:

Related Party Transaction	**Currency**	**2017**	**2016**	**2015**
Administration costs billed by 3D Exploration(Hillary Gumbo)	Botswana Pula	13,944	77,612	106,898
Consulting Services billed by Charles M Moles	USD	7,989	22,102	9,425
Consulting Services billed by Hillary Gumbo	USD	140,502	184,115	252,966
Balance of Advance by Charles M Moles to Navassa Resources Ltd	USD	26,130	26,130	51,130

The following table summarises amounts owed at each period end;

Related Party	**2017**	**2016**	**2015**
	US$	**US$**	**US$**
Hillary Gumbo	-	681,071	546,919
Charles Moles	34,897	56,143	34,131

Directors fees

No Directors Fees were paid by Navassa Resources Ltd or Kavango Minerals (Pty) Ltd during any of the 3 periods disclosed.

19. Subsequent events

On 7 December 2017 Navassa Resources Ltd and its subsidiary Kavango Minerals (Pty) Ltd were acquired by F2D Minerals Limited which was renamed Kavango Resources plc.

PART XII(E)

ACCOUNTANTS REPORT ON THE UNAUDITED PRO FORMA

FINANCIAL INFORMATION

10 July 2018

The Directors

Dear Sirs

Introduction

We report on the unaudited pro forma statement of net assets and income statement as at 31 December 2017 (the "Pro Forma Financial Information") set out in Part XII (E) (Unaudited Pro-Forma Financial Information) of Kavango Resources Plc's (the "Company") prospectus (the "Document") dated 10 July 2018. This has been prepared on the basis described, for illustrative purposes only, to provide information about how the Placing, acquisition of Navassa Resources Ltd and Admission to the London Stock Exchange might affect the income, expenses and net assets presented on the basis of the accounting policies adopted by the Company in preparing the audited financial information for the period ended 31 December 2017. This report is required by Annex I, item 20.2 of Commission Regulation (EC) N 809/2004 Rules and is given for the purpose of complying with that requirement and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company (the "Directors") to prepare the Pro-Forma Financial Information in accordance with Annex I, item 20.2 and Annex II, items 1 to 6 of Commission Regulation (EC) N 809/2004.

It is our responsibility to form an opinion, in accordance with Annex I, item 20.2 of Commission Regulation (EC) N 809/2004, as to the proper compilation of the Pro-Forma Financial Information and to report that opinion to you in accordance with Annex II, item 7 of Commission Regulation (EC) N 809/2004.

Save for any responsibility arising under Prospectus Rule 5.5.3R (2) (f) to any person as to the extract there provided and, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in accordance with this report or our statements, required by and given solely for the purposes of complying with Annex 1 item 23.1 of the Prospectus Directive legislation, consenting to its inclusion in the Prospectus.

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

Basis of opinion

We conducted our work in accordance with Standards of Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of

comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro-Forma Financial Information with the Directors.

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

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

(a) the Pro-Forma Financial Information has been properly complied on the basis stated; and

(b) such basis is consistent with the accounting policies of the Company that will be used in the preparation of the next financial statements.

Declaration

For the purpose of Prospectus Rule 5.5.3R, we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Document in compliance with Annex I, item 1.2 of Commission Regulation (EC) N 809/2004.

Yours faithfully

PKF Littlejohn LLP
Chartered Accountant

UNAUDITED PRO FORMA STATEMENT OF NET ASSETS AND UNAUDITED PRO FORMA INCOME STATEMENT

The unaudited pro forma statement of net assets has been prepared to illustrate the impact of Placing and acquisition on the net assets of the Company. Set out below is an unaudited pro forma statement of net assets of Kavango Resources Plc ("the Company") and Navassa Resources Ltd (together "the Enlarged Group") as at 31 December 2017.

The unaudited pro forma income statement of the Company for the period ending 31 December 2017 has been prepared on the basis set out in the notes below and in accordance with the requirements of item 20.2 of Annex I and items 1 to 6 of Annex II of the Prospectus Rules to illustrate the impact of the Placing as if it had taken place on 1 January 2017 and also the impact of the Acquisition of Navassa Resources Limited as if it had taken place on 1 January 2017..

The unaudited pro forma statement of net assets and unaudited pro forma income statement are compiled on the basis set out in the notes below and in accordance with the Enlarged Group's accounting policies within the next financial statements. Because of the nature of the unaudited pro forma net asset statement and unaudited pro forma income statement address a hypothetical situation and does not, therefore, represent the Group's actual financial position or results. The unaudited pro forma information has been prepared in accordance with Annex II of the Prospectus Directive Regulations. No adjustments have been made to take account of trading, expenditure or other movements subsequent to 31 December 2017, being the date of the last published balance sheet of the Group.

The unaudited pro forma information does not constitute financial statements within the meaning of section 434 of the Companies Act. Investors should read the whole of this Prospectus and not rely solely on the summarised financial information contained in this Part.

Unaudited pro-forma statement of net assets

	Company net assets as at 31-Dec-17 (Note 1)	Navassa Resources Ltd net assets as at 31 December 2017 (Note 2)	Adjustment Acquisition of Navassa Resources Ltd (Note 3)	Adjustment Placing Proceeds (Note 4)	Unaudited pro-forma net assets of the Enlarged Group as at 31
Assets	**US$**			**US$**	**US$**
Non-current assets					
Intangible assets	-	2,234,016	-	-	2,234,016
Investments	3,510,410	-	(3,510,410)		-
Fixed assets	-	1,610	-		1,610
Current assets					
Cash	348,653	37,763		1,915,438	2,301,854
Receivables	135,504	6,751		-	142255
Total assets	**3,994,567**	**2,280,140**	**(3,510,410)**	**1,915,438**	**4,679,735**
Liabilities					
Current liabilities					
Trade and other payables	133,615	12,615	-	-	146,230
Amounts due to shareholders	-	34,897	-	-	34897
Total liabilities	**133,615**	**47,512**	**-**	**-**	**181,127**
Net assets	**3,860,952**	**2,232,628**	**(3,510,410)**	**1,915,438**	**4,498,608**

Notes:

1. The financial information relating to the Company has been extracted without adjustment from the historical financial information set out in Part XII of this document.

2. The financial information relating to the Navassa Resources Ltd has been extracted without adjustment from the historical financial information set out in Part XII of this document.

3. The adjustment relates to the acquisition of Navassa Resources Limited which took place on 7th December 2017 and the elimination of the investment in Navassa at a Company level that would occur on consolidation. The acquisition falls outside the scope of IFRS 3 ("Business Combinations") as Kavango Plc does not meet the definition of a business per IFRS at the date the acquisition occurs. From an accounting perspective Navassa will be deemed the acquirer and as a result the consolidation journals arising on consolidation will impact reserves and are therefore not shown in the table above.

4. The US$1,915,438 adjustment represents the net proceeds of the Subscription, represented by a receipt of £1,500,000, being the issue of 60,000,000 Ordinary Shares of £0.001 each at £0.025 per Ordinary Share, conditional on Admission, less associated costs of Admission totalling £65,000. This has been translated to the US Dollars using the exchange rate of $1.3348.

5. No adjustments have been made to reflect the trading or other transactions since 31 December 2017.

6. The pro forma statement of net assets does not constitute financial statements.

Unaudited pro-forma income statement

	The Company Period ended 31 December 2017 (Note 1)	Navassa Resources Ltd net assets as at 31 December 2017 (Note 2)	Adjustment Acquisition of Navassa Resources Ltd (Note 3)	Adjustment Placing Proceeds (Note 4)	Unaudited pro-forma income statement of the Group for the year 31
	US$	US$	US$	US$	US$
Revenue	-	-	-	-	-
Administration expenses	-	(10,515)	-	-	(10,515)
other income	-	50,000	-	-	50,000
Foreign exchange on conversion of loans	-	63,212	-	-	63,212
Operating loss	-	102,697	-	-	102,697
Tax expenses	-	-	-	-	-
Loss for the period	-	102,697		-	102,697
Other comprehensive income	-	121,010	-	-	121,010
Total comprehensive loss for the period	-	223,707	-	-	223,707

Notes:

1. The financial information relating to the Company has been extracted without adjustment from the historical financial information set out in Part XII of this document.

2. The financial information relating to Navassa Resources Ltd has been extracted without adjustment from the historical financial information set out in Part XII of this document. This adjustment will be recurring as the results of Navassa will consolidated each year.

3. The adjustment relates to the acquisition of Navassa Resources Limited which took place on 7th December 2017. There is no impact of the acquisition on the income statement other than consolidating the results of Navassa which are shown in Note 2 and as a result this column includes no figures. This adjustment will not be recurring.

4. The adjustment represents the impact of the placing on the income statement of which there is none and hence the column has nil figures included therein. This adjustment will not be recurring.

5. No adjustment has been made to reflect trading results of the Group since 31 December 2017.

PART XIII

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 has a £5,000 dividend tax allowance for 2017/18, which reduces to £2,000 from 6 April 2018. Dividend receipts in excess of £5,000 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.

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., falling to 17 per cent. after 1 April 2020.

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 Prospectus 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 XIV

ADDITIONAL INFORMATION

1. Responsibility

1.1 The Directors

The Directors, whose names appear in Part IV, and the Company accept responsibility for the information contained in this Prospectus.

To the best of the knowledge of the Directors and the Company (who have each taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

1.2 The Competent Person

The CPR included in Part XI of this Prospectus was prepared by Michael Robertson, Pr.Sci.Nat., FGSSA and Dr Friedrich Reichhardt, Pr.Sci.Nat., FGSSA, as Competent Persons under The JORC Code, 2012 Edition. The business address of MSA is Henley House, Greenacres Office Park, Cnr Victory and Rustenburg Roads, Victory Park, 2195 Johannesburg.

MSA is an independent provider of exploration, evaluation and environmental consulting and contracting services, which has been providing services and advice to the international minerals industry and financial institutions since 1983. MSA has provided these services on mineral projects covering virtually all commodities, has worked on 5 continents and in over 40 countries, and has reported on all major mining stock exchanges. MSA's services encompass Exploration and Geology, Mineral Resource Estimation, Mining Studies and Environmental Consulting, from targeting and initial assessment to turn-key exploration project management, Mineral Resource and Reserve Estimation, public reporting, valuations, scoping/PEA studies and feasibility studies. MSA's employees belong to many additional organisations, both domestically and internationally, including inter alia, the South African Council for Natural Scientific Professions, the Southern African Institute of Mining and Metallurgy, the Geological Society of South Africa, the Australasian Institute of Mining and Metallurgy and the Society of Economic Geologists.

MSA has given and not withdrawn its consent to the inclusion in this Prospectus of its expert's report in Part XI in the form and context in which it is included and has authorised the contents of that report for the purposes of Rule 5.5.3R (2)(f) of the Prospectus Rules. To the best of the knowledge and belief of MSA (which has taken all reasonable care to ensure that such is the case), the information contained in Part XI of this Prospectus entitled ''Competent Person's Report'' that it is responsible for, is in accordance with the facts and does not omit anything likely to affect the import of such information. MSA Group has received, and will receive, professional fees for its preparation of the CPR. However, none of MSA or its directors, staff or subcontractors who contributed to the CPR has any interest in the Company or the Group assets reviewed or the outcome of the Placing.

Collins Newman & Co has given and not withdrawn its consent to the inclusion in this Prospectus of its legal opinion in the CPR in the form and context in which it is included and has authorised the contents of that legal opinion for the purposes of Rule 5.5.3R (2)(f) of the Prospectus Rules. To the best of the knowledge and belief of Collins Newman & Co (which has taken all reasonable care to ensure that such is the case), the information contained in the legal opinion contained within the ''Competent Person's Report'' at Part XI of this Prospectus, is in accordance with the facts and does not omit anything likely to affect the import of such information. Collins Newman & Co has received, and will receive, professional fees for its preparation of such legal opinion. However, none of Collins Newman & Co or its partners, staff or subcontractors who contributed to the legal opinion has any interest in the Company or the Group assets reviewed or the outcome of the Placing.

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 2006, as amended, with the name F2D Minerals Limited and with registered number 10796849. The Company conforms to the laws of England and Wales.

On 27 October 2017, the Founders were issued an additional 9,630,000 Ordinary Shares in aggregate and Lesley Wright was issued 1,000,000 Ordinary Shares, at her election, in consideration for a fee owed to her.

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 Prospectus.

With effect from Admission, the Company will be subject to the Listing Rules and the Disclosure Guidance and Transparency Rules (and the resulting jurisdiction of the UK Listing Authority) 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 2006, as amended. 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 2018.

2.2 Share Capital

2.2.1 The following table shows the issued and fully paid share capital of the Company (comprising of the 74,169,996 Ordinary Shares at the date of this Prospectus but not including those Ordinary Shares conditionally allotted pursuant to the Placing):

	Number of Issued Shares (Fully paid)	*Share capital*
Ordinary Shares of £0.001	*74,169,996*	*£74,169*

2.2.2 Upon Admission, the issued capital of the Company, compromises of the 74,169,996 Ordinary Shares in issue at the date of this Prospectus, together with the 60,000,000 Ordinary Shares to be issued pursuant to the Placing will be as follows:

	Number of Issued Shares (Fully paid)	*Share capital*
Ordinary Shares of £0.001	*134,169,996*	*£134,169*

2.2.3 4,169,996 Pre Financing Placing Warrants have been issued (so as not to include Placing Warrants attached to the New Ordinary Shares conditionally allotted pursuant to the Placing) The terms of the Warrants are set out in paragraph 4 of this Part XIV.

2.2.4 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*

2.2.5 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.

The ISIN of the Ordinary Shares is GB00BF0VMV24.

The SEDOL number of the Ordinary Shares is BF0VMV2

2.2.6 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.

2.2.7 The Company has disapplied the pre-emption provisions set out in the Articles by resolutions dated 14 February 2018.

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

2.2.9 Except as stated in this Part XIV:

(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 paragraph 4 of this Part XIV below.

2.2.10 The Ordinary Shares conform with the laws of England and Wales and are duly authorized in accordance with the requirements of the Articles and the resolutions referred to at 2.2.7 above.

3. Substantial shareholders

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

Shareholder	**Number of Ordinary Shares**	**Percentage of issued Ordinary Share capital**
Charles Michael Moles (*)	12,947,492	*9.65*
Hillary Gumbo (*)	11,092,500	*8.27*
Jose Medeiros	13,492,500	*10.06*
Peter O Anderton	13,492,500	*10.06*
Douglas Wright (*)	7,515,001	*5.60*
John Forrest (*)	7,064,998	*5.27*
Michael Foster (*)	5,785,001	*4.31*

(*) Denotes a Director/ Senior Manager

- Lesley Wright, Douglas Wright's wife, holds 730,000 Ordinary Shares equating to 0.98% as at the date of this document and 0.55% immediately prior to Admission;

- *Teresa Foster, Michael Foster's wife, holds 1,000,000 Ordinary Shares equating to 1.35% as at the date of this document and 0.75% 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.

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. Options and Warrants

4.1 4,169,996 Pre-Financing Placing Warrants were issued to the Pre-Financing Placees on the basis of one Pre-Financing Placing Warrant for each Ordinary Share subscribed for in the Pre-Financing Placing.

The terms of the Pre-Financing Placing Warrants are that:

- each Pre-Financing Placing Warrant entitles the holder to subscribe for one Ordinary Share at a price of 12p per Ordinary Share;

- the Pre-Financing Placing Warrants may be exercised during the subscription period which is the period from the date of admission of the Ordinary Shares to trading on a stock exchange and the earlier of:

    - the date expiring two years from and including the date of admission of the Ordinary Shares to trading on a stock exchange; and

    - the date falling 7 days after the Company has given notice to the holders of the new Warrants that the Ordinary Shares have traded on a stock exchange for a consecutive period of 10 business days at a volume weighted average price which is more than 14.4p;

- the Pre-Financing Placing Warrants are transferable; and

- upon exercise each holder of the Pre-Financing Placing Warrants shall be issued with one further warrant for each two of the Pre-Financing Placing Warrants exercised (rounded up in the case of an odd number) on the same terms as the Pre-Financing Placing Warrants except that:

    - each new warrant entitles the holder to subscribe for one Ordinary Share at a price of 24p per Ordinary Share; and

    - the subscription period is the period from the date of admission of the Ordinary Shares to trading on a stock exchange and the earlier of:

        - the date expiring four years from and including the date of admission of the Ordinary Shares to trading on a stock exchange; and

        - the date falling 7 days after the Company has given notice to the holders of the new warrants that the Ordinary Shares have traded on a stock exchange for a consecutive period of 10 business days at a volume weighted average price which is more than 28.8p; and

        - no further warrants will be issued on exercise of these warrants.

4.2 A further 60m Placing Warrants will be issued on the Placing on the basis of one Placing Warrant for each New Ordinary Share subscribed for in the Placing. The terms of the Placing Warrants are that:

- each Placing Warrant entitles the holder to subscribe for one Ordinary Share at a price of 12p per Ordinary Share;

- the Placing Warrants may be exercised during the subscription period which is the period from the date of admission of the Ordinary Shares to trading on a stock exchange and the date expiring two years from and including the date of admission of the Ordinary Shares to trading on a stock exchange;

- the Placing Warrants are transferable; and

- upon exercise each holder of the Placing Warrants shall be issued with one further warrant for each two of the Warrants exercised (rounded up in the case of an odd number) on the same terms as the Placing Warrants except that:

    - each new warrant entitles the holder to subscribe for one Ordinary Share at a price of 24p per Ordinary Share; and

- the subscription period is the period from the date of admission of the Ordinary Shares to trading on a stock exchange and the date expiring four years from and including the date of admission of the Ordinary Shares to trading on a stock exchange;

- no further warrants will be issued on exercise of these warrants.

Management Options

There is no formal management share option scheme. It is proposed that 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 of the Company. Options will be exercisable ten years and be subject to the option holder being an officer or senior manager of the Company at the time of exercise.

5. Directors' and Senior Management Interests

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

Shareholder	**Number of Ordinary Shares as at the date of Prospectus**	**Percentage of issued Ordinary Share capital as at the date of this Prospectus**	**Number of Ordinary Shares following Admission**	**Percentage of issued Ordinary Share capital immediately following Admission**
Charles Michael Moles	11,092,500	*14.96*	12,947,492	*9.65*
Hillary Gumbo	11,092,500	*14.96*	11,092,500	*8.27*
Douglas Wright	7,515,001	*10.13*	7,515,001	*5.60*
John Forrest	7,064,998	*9.53*	7,064,998	*5.27*
Michael Foster	5,785,001	*7.80*	5,785,001	*4.31*

- Lesley Wright, Douglas Wright's wife, holds 730,000 Ordinary Shares equating to 0.98% as at the date of this document and 0.55% immediately prior to Admission
- Teresa Foster, Michael Foster's wife, holds 1,000,000 Ordinary Shares equating to 1.35% as at the date of this document and 0.75% immediately prior to Admission

6. Memorandum

The Company's Memorandum is silent on its objects. Accordingly, the Company has full power and authority to carry out any object not prohibited by law.

7. Articles of Association

The following definitions apply for the purposes of the Articles.

"Act": Companies Act 2006.

"Companies Acts": the Act, the Companies Act 1985 and, where the context requires, every other statute from time to time in force concerning companies and affecting the Company.

The Articles, which have been adopted, contain, *inter alia*, provisions to the following effect;

7.1 Voting rights attaching to shares

Subject to the Companies Acts, to any special terms as to voting on which any shares may have been issued or may for the time being be held and to any suspension or abrogation of voting rights under the Articles, at any general meeting every member who is present in person (or by proxy) shall on a show of hands have one vote and every member present in person (or by proxy) shall on a poll have one vote for each share of which he is the holder.

7.2 Dividends

Subject to the Act and these Articles, 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. Subject to the Act, the Board may declare and pay such interim dividends (including any dividend at a fixed rate) as appears to the Board to be justified by the profits of the Company available for distribution

7.3 Winding up

If the Company is wound up, the liquidator may, with the authority of a special resolution and any other authority required by law, divide among the members in specie the whole or any part of the assets of the Company. This applies whether the assets shall consist of property of one kind or different kinds. For this purpose, the liquidator may set such value as the liquidator considers fair on any asset or assets and may determine how to divide it between the members or different classes of members. The liquidator may, with the authority of a special resolution and any other authority required by the law, transfer all or any part of the assets to trustees on such trusts for the benefit of members as the liquidator decides. Where the liquidator divides or transfers any assets in pursuance of the powers in this article, no member shall be required to accept any asset in respect of which there is a liability.

7.4 Transfer of shares

Each member may transfer all or any of his shares which are in certificated form by instrument of transfer in writing in any usual form or in any form approved by the Board. Such instrument shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. All instruments of transfer, when registered, may be retained by the Company.

Each member may transfer all or any of his shares which are in uncertificated form by means of a relevant system in such manner provided for, and subject as provided in, the uncertificated securities rules.

The transferor of a share shall be deemed to remain the holder of the share concerned until the name of the transferee is entered in the Register in respect of it.

The Board may, in its absolute discretion, refuse to register any transfer of a share in certificated form (or renunciation of a renounceable letter of allotment) unless:

- it is for a share which is fully paid up;
- it is for a share upon which the Company has no lien;
- it is only for one class of share;

- it is in favour of a single transferee or no more than four joint transferees;

- it is duly stamped or is duly certificated or otherwise shown to the satisfaction of the Board to be exempt from stamp duty (if this is required); and

- it is delivered for registration to the Office (or such other place as the Board may determine), accompanied (except in the case of a transfer by a person to whom the Company is not required by law to issue a certificate and to whom a certificate has not been issued or in the case of a renunciation) by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor (or person renouncing) and the due execution of the transfer or renunciation by him or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so.

The Board shall not refuse to register any transfer or renunciation of partly paid shares which are admitted to the Official List on the grounds that they are partly paid shares in circumstances where such refusal would prevent dealings in such shares from taking place on an open and proper basis.

In the case of uncertificated shares, the Board may refuse to register a transfer in any circumstances that are allowed or required by the uncertificated securities rules and the relevant system.

7.5 Disclosure of Interests in Shares

If a member, or any other person appearing to be interested in shares held by that member, has been issued with a notice under section 793 of the Act (**section 793 notice**) and has failed in relation to any shares (**default shares**, which expression includes any shares issued after the date of such notice in right of those shares) to give the Company the information required by the section 793 notice within the prescribed period from the service of the notice, the following sanctions shall apply unless the Board determines otherwise:

- the member shall not be entitled in respect of the default shares to be present or to vote (either in person or by representative or proxy) at any general meeting or at any separate meeting of the holders of any class of shares or on any poll or to exercise any other right conferred by membership in relation to any such meeting or poll; and

- where the default shares represent at least 0.25% in nominal value of the issued shares of their class (calculated exclusive of any shares held as treasury shares):

- any dividend or other money payable for such shares shall be withheld by the Company, which shall not have any obligation to pay interest on it, and the member shall not be entitled to elect to receive shares instead of that dividend; and

- no transfer, other than an excepted transfer, of any shares held by the member shall be registered unless the member himself is not in default of supplying the required information and the member proves to the satisfaction of the Board that no person in default of supplying such information is interested in any of the shares that are the subject of the transfer.

These sanctions shall cease to have effect (and any dividends withheld shall become payable):

- if the shares are transferred by means of an excepted transfer but only in respect of the shares transferred; or

- at the end of the period of seven days (or such shorter period as the Board may determine) following receipt by the Company of the information required by the section 793 notice and the Board being fully satisfied that such information is full and complete.

7.6 Untraced Shareholders

The Company shall be entitled to sell at the best price reasonably obtainable any share of a member, or any share to which a person is entitled by transmission, if and provided that:

- during the period of 12 years before the date of sending of the notice referred to in Article 71.1(b) no cheque, order or warrant in respect of such share sent by the Company through the post in a pre-paid envelope addressed to the member or to the person entitled by transmission to the share, at his address

on the Register or other last known address given by the member or person to which cheques, orders or warrants in respect of such share are to be sent has been cashed and the Company has received no communications in respect of such share from such member or person entitled, provided that during such period of 12 years the Company has paid at least three cash dividends (whether interim or final) and no such dividend has been claimed by the person entitled to it;

- on or after expiry of the said period of 12 years, the Company has given notice of its intention to sell such share by sending a notice to the member or person entitled by transmission to the share at his address on the Register or other last known address given by the member or person entitled by transmission to the share and before sending such a notice to the member or other person entitled by transmission, the Company must have used reasonable efforts to trace the member or other person entitled, engaging, if considered appropriate, a professional asset reunification company or other tracing agent and/or giving notice of its intention to sell the share by advertisement in a national newspaper and in a newspaper circulating in the area of the address of the member or person entitled by transmission to the share shown in the Register;

- during the further period of three months following the date of such notice and prior to the exercise of the power of sale the Company has not received any communication in respect of such share from the member or person entitled by transmission; and

- the Company has given notice to the UKLA of its intention to make such sale, if shares of the class concerned are listed on the Official List or dealt in on the London Stock Exchange.

7.7 General meetings

Annual general meetings

An annual general meeting shall be held once a year, at such time (consistent with the terms of the Companies Acts) and place as may be determined by the Board.

Convening of general meetings

All meetings other than annual general meetings shall be called general meetings. The Board may, whenever it thinks fit, and shall on requisition in accordance with the Companies Acts, proceed to convene a general meeting.

Notice of General Meetings

A general meeting shall be called by at least such minimum notice as is required or permitted by the Companies Acts. The period of notice shall in either case be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held and shall be given to all members other than those who are not entitled to receive such notices from the Company. The Company may give such notice by any means or combination of means permitted by the Companies Acts.

Every notice calling a meeting shall specify the place, date and time of the meeting, and there shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to a proxy or (if he has more than one share) proxies to exercise all or any of his rights to attend, speak and vote and that a proxy need not be a member of the Company. Such notice shall also include the address of the website on which the information required by the Act is published, state the procedures with which members must comply in order to be able to attend and vote at the meeting (including the date by which they must comply), provide details of any forms to be used for the appointment of a proxy and state that a member has the right to ask questions at the meeting in accordance with the Act.

The notice shall specify the general nature of the business to be transacted at the meeting and shall set out the text of all resolutions to be considered by the meeting and shall state in each case whether it is proposed as an ordinary resolution or as a special resolution.

In the case of an annual general meeting, the notice shall also specify the meeting as such.

Quorum

No business shall be transacted at any general meeting unless a quorum is present. If a quorum is not present a chairman of the meeting can still be chosen and this will not be treated as part of the business of the meeting. Two members present in person or by proxy and entitled to attend and to vote on the business to be transacted shall be a quorum.

Chairman

The chairman of the Board shall preside at every general meeting of the Company. If there is no such chairman or if at any meeting he shall not be present within five minutes after the time appointed for holding the meeting, or shall be unwilling to act as chairman, the deputy chairman (if any) of the Board shall, if present and willing to act, preside at such meeting. If more than one deputy chairman is present they shall agree amongst themselves who is to take the chair or, if they cannot agree, the deputy chairman who has been in office as a director the longest shall take the chair. If no chairman or deputy chairman shall be so present and willing to act, the Directors present shall choose one of their number to act or, if there be only one Director present, he shall be chairman if willing to act. If there be no Director present and willing to act, the members present and entitled to vote shall choose one of their number to be chairman of the meeting. Nothing in these Articles shall restrict or exclude any of the powers or rights of a chairman of a meeting which are given by law.

In the case of equality of votes whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall not be entitled to a casting vote.

Adjournment and proceedings after adjournment

The chairman may, with the consent of a meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn any meeting from time to time (or indefinitely) and from place to place as the meeting shall determine. However, without prejudice to any other power which he may have under these Articles or at common law, the chairman may, without the need for the consent of the meeting, interrupt or adjourn any meeting from time to time and from place to place or for an indefinite period if he is of the opinion that it has become necessary to do so in order to secure the proper and orderly conduct of the meeting or to give all persons entitled to do so a reasonable opportunity of attending, speaking and voting at the meeting or to ensure that the business of the meeting is properly disposed of.

If the meeting is adjourned indefinitely or for more than three months, notice of the adjourned meeting shall be given in the same manner as in the case of the original meeting. Except as provided in these Articles, there is no need to give notice of the adjourned meeting or of the business to be considered there.

No business shall be transacted at any adjourned meeting other than the business which might properly have been transacted at the meeting from which the adjournment took place.

Method of voting and demand for poll

At any general meeting a resolution put to a vote of the meeting shall be decided on a show of hands, unless (before or on the declaration of the result of the show of hands) a poll is duly demanded.

Subject to the Companies Acts, a poll may be demanded by:

- the chairman of the meeting; or
- at least five members present in person (or by proxy) and entitled to vote at the meeting; or
- a member or members present in person (or by proxy) representing at least one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- a member or members present in person (or by proxy) holding shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to at least one-tenth of the total sum paid up on all the shares conferring that right.

The chairman of the meeting may also demand a poll before a resolution is put to the vote on a show of hands.

At general meetings, resolutions shall be put to the vote by the chairman of the meeting and there shall be no requirement for the resolution to be proposed or seconded by any person.

Unless a poll is duly demanded and the demand is not withdrawn, a declaration by the chairman of the meeting that a resolution has on a show of hands been carried, or carried unanimously or by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the book containing the minutes of proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution.

Corporate Representatives

A corporation (whether or not a company within the meaning of the Act) which is a member may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative (or, as the case may be, representatives) at any meeting of the Company or at any separate meeting of the holders of any class of shares.

Any person so authorised shall be entitled to exercise the same powers on behalf of the corporation (in respect of that part of the corporation's holdings to which the authority relates) as the corporation could exercise if it were an individual member.

The corporation shall for the purposes of these Articles be deemed to be present in person and at any such meeting if a person so authorised is present at it, and all references to attendance and voting in person shall be construed accordingly.

A Director, the Secretary or some person authorised for the purpose by the Secretary may require the representative to produce a certified copy of the resolution so authorising him or such other evidence of his authority reasonably satisfactory to them before permitting him to exercise his powers.

Proxies

A member may appoint another person as his proxy to exercise all or any of his rights to attend and to speak and to vote (both on a show of hands and on a poll) on a resolution or amendment of a resolution, or on other business arising, at a meeting or meetings of the Company. Unless the contrary is stated in it, the appointment of a proxy shall be deemed to confer authority to exercise all such rights, as the proxy thinks fit.

Form of proxy

An instrument appointing a proxy shall be in writing in any usual form (or in another form approved by the Board) executed under the hand of the appointor or his duly constituted attorney or, if the appointor is a corporation, under its seal or signed by a duly authorised officer or attorney or other person authorised to sign.

Revocation of proxy

A vote given or poll demanded by a proxy shall be valid in the event of the death or mental disorder of the principal or the revocation of the instrument of proxy, or of the authority under which the instrument of proxy was executed, or the transfer of the share for which the instrument of proxy is given, unless notice in writing of such death, mental disorder, revocation or transfer shall have been received by the Company at the Office, or at such other place as has been appointed for the deposit of instruments of proxy, no later than the last time at which an appointment of a proxy should have been received in order for it to be valid for use at the meeting or on the holding of the poll at which the vote was given or the poll taken.

7.8 Directors

Number

Unless otherwise determined by the Company by ordinary resolution, the number of Directors (other than any alternate Directors) shall be at least two but shall not be subject to any maximum number.

Directors' fees and remuneration

Each of the Directors may be paid a fee at such rate as may from time to time be determined by the Board.

The above fees shall be distinct from any salary, remuneration or other amounts payable to a Director under any other provisions of these Articles and shall accrue from day to day.

If by arrangement with the Board any Director shall perform or render any special duties or services outside his ordinary duties as a Director and not in his capacity as a holder of employment or executive office, he may be paid such reasonable additional remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine.

Executive Directors

The salary or remuneration of any Director appointed to hold any employment or executive office in accordance with these Articles may be either a fixed sum of money, or may altogether or in part be governed by business done or profits made or otherwise determined by the Board, and may be in addition to or instead of any fee payable to him for his services as Director under these Articles.

Appointment, retirement, removal and vacation of office by directors

Appointment

Subject to these Articles and the Companies Acts, the Company may by ordinary resolution appoint a person who is willing to act to be a Director, either to fill a vacancy or as an addition to the existing Board but the total number of Directors shall not exceed any maximum number fixed in accordance with these Articles.

Subject to the Articles, the Board shall have power at any time to appoint any person who is willing to act as a Director, either to fill a vacancy or as an addition to the existing Board but the total number of Directors shall not exceed any maximum number fixed in accordance with these Articles.

No person, other than a retiring Director (by rotation or otherwise), shall be appointed or re-appointed a Director at any general meeting unless:

- he is recommended by the Board; or
- at least seven but not more than 42 clear days before the date appointed for the meeting the Company has received notice from a member (other than the person proposed) entitled to vote at the meeting of his intention to propose a resolution for the appointment or re-appointment of that person, stating the particulars which would, if he were so appointed or re-appointed, be required to be included in the Company's register of directors and a notice executed by that person of his willingness to be appointed or re-appointed, is lodged at the Office.

Retirement

At each annual general meeting of the Company any Director then in office:

- who has been appointed by the Board since the previous annual general meeting; or
- for whom it is the third annual general meeting following the annual general meeting at which he was elected or last re-elected;

shall retire from office but shall be eligible for re-appointment.

Deemed re-appointment

A Director who retires at an annual general meeting shall (unless he is removed from office or his office is vacated in accordance with these Articles) retain office until the close of the meeting at which he retires or (if earlier) when a resolution is passed at that meeting not to fill the vacancy or to elect another person in his place or the resolution to re-appoint him is put to the meeting and lost.

Procedure if insufficient directors appointed

If:

- at the annual general meeting in any year any resolution or resolutions for the appointment or re-appointment of the persons eligible for appointment or re-appointment as Directors are put to the meeting and lost; and

- at the end of that meeting the number of Directors is fewer than any minimum number of Directors required under the Articles.

All retiring Directors who stood for re-appointment at that meeting (**Retiring Directors**) shall be deemed to have been re-appointed as Directors and shall remain in office but the Retiring Directors may only act for the purpose of filling vacancies, convening general meetings of the Company and performing such duties as are essential to maintain the Company as a going concern, and not for any other purpose.

Removal

In addition to any power of removal conferred by the Companies Acts, the Company may by special resolution, or by ordinary resolution of which special notice has been given in accordance with section 312 of the Act, remove a director before the expiry of his period of office (without prejudice to a claim for damages for breach of contract or otherwise) and may (subject to these articles) by ordinary resolution appoint another person who is willing to act to be a director in his place.

Vacation of office

Without prejudice to the provisions for retirement (by rotation or otherwise) contained in these Articles, the office of a Director shall be vacated if:

- he resigns by notice in writing delivered to the Secretary at the Office or at an address specified by the Company for the purposes of communication by electronic means or tendered at a Board meeting;

- he offers to resign by notice in writing delivered to the Secretary at the Office or at an address specified by the Company for the purposes of communication by electronic means or tendered at a Board meeting and the Board resolves to accept such offer;

- he is requested to resign by all of the other Directors by notice in writing addressed to him at his address as shown in the register of Directors (without prejudice to any claim for damages which he may have for breach of any contract between him and the Company);

- he ceases to be a Director by virtue of any provision of the Companies Acts, is removed from office pursuant to these Articles or the Act or becomes prohibited by law from being a Director;

- he becomes bankrupt or makes an arrangement or composition with his creditors generally;

- a registered medical practitioner who is treating that person gives a written opinion to the Company stating that person has become physically or mentally incapable of acting as a director and may remain so for more than three months, or he is or has been suffering from mental or physical ill health and the Board resolves that his office be vacated; or

- he is absent (whether or not his alternate Director appointed by him attends), without the permission of the Board, from Board meetings for six consecutive months and a notice is served on him personally, or at his residential address provided to the Company under section 165 of the Act signed by all the other Directors stating that he shall cease to be a Director with immediate effect (and such notice may consist of several copies each signed by one or more Directors).

Directors' pensions and benefits

The Board may exercise all the powers of the Company to provide pensions or other retirement or superannuation benefits and to provide death or disability benefits or other allowances or gratuities (whether by insurance or otherwise) for any person who is or has at any time been a Director or employee of:

- the Company;

- any company which is or was a holding company or a subsidiary undertaking of the Company;

- any company which is or was allied to or associated with the Company or a subsidiary undertaking or holding company of the Company; or

- a predecessor in business of the Company or of any holding company or subsidiary undertaking of the Company.

and, in each case, for any member of his family (including a spouse or former spouse) and any person who is or was dependent on him.

The Board may establish, maintain, subscribe and contribute to any scheme, institution, association, club, trust or fund and pay premiums and, subject to the Companies Acts, lend money or make payments to, guarantee or give an indemnity in respect of, or give any financial or other assistance in connection with any of the matters set out above. The Board may procure any of such matters to be done by the Company either alone or in conjunction with any other person. Any Director or former Director shall be entitled to receive and retain for his own benefit any pension or other benefit provided under this Article and shall not have to account for it to the Company. The receipt of any such benefit will not disqualify any person from being or becoming a Director of the Company.

Directors' expenses

Each Director may also be paid his reasonable travelling, hotel and other expenses properly incurred by him in or about the performance of his duties as Director, including any expenses incurred in attending meetings of the Board or any committee of the Board or general meetings or any class meetings.

Directors' conflicts of interests

The Board may, in accordance with the requirements set out in the Articles, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director breaching his duty under the Act to avoid conflicts of interest.

A Director seeking authorisation in respect of a conflict of interest shall declare to the Board the nature and extent of his interest in a conflict of interest as soon as is reasonably practicable. The Director shall provide the Board with such details of the matter as are necessary for the Board to decide how to address the conflict of interest together with such additional information as may be requested by the Board.

Permitted interests and voting

A Director cannot vote or be counted in the quorum on any resolution relating to any transaction or arrangement with the Company in which he has an interest and which may reasonably be regarded as likely to give rise to a conflict of interest but can vote (and be counted in the quorum) on certain matters set out in the Articles.

Where the Directors are considering proposals about the appointment, or the settlement or variation of the terms or the termination of the appointment of two or more Directors to other offices or places of profit with the Company or any company in which the Company has an interest, a separate resolution may be put in relation to each Director and in that case each of the Directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution unless it concerns his own appointment or the settlement or variation of the terms or the termination of his own appointment or the appointment of another director to an office or place of profit with a company in which the Company has an interest and the Director seeking to vote or be counted in the quorum has a Relevant Interest in it.

A company shall be deemed to be one in which the Director has a Relevant Interest if and so long as (but only if and so long as) he is to his knowledge (either directly or indirectly) the holder of or beneficially interested in one per cent or more of any class of the equity share capital of that company (calculated exclusive of any shares of that class in that company held as treasury shares) or of the voting rights available to members of that company. In relation to an alternate Director, an interest of his appointor shall be treated as an interest of the alternate Director without prejudice to any interest which the alternate Director has otherwise. Where a company in which a Director has Relevant Interest is interested in a contract, he also shall be deemed interested in that contract.

Borrowing powers

Subject to the Companies Acts, the Board may exercise all the powers of the Company to borrow money, indemnify and guarantee, mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company, create and issue debentures and other securities; and give security either outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

Indemnity of Directors and officers

Subject to the Articles, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

- each relevant officer shall be indemnified out of the Company's assets against all relevant loss and in relation to the Company's (or any associated company's) activities as trustee of an occupational pension scheme (as defined in section 235(6) of the Act), including any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or any associated company's) affairs; and

- the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in the above article and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.

7.9 Board meetings (Notice of board meetings; Quorum; Voting; Telephone meetings; Resolutions in writing)

The Board can decide when and where to have meetings and how they will be conducted. They may also adjourn meetings.

A Board meeting can be called by any Director. The Secretary must call a Board meeting if asked to do so by a Director.

Notice of board meetings

Notice of a Board meeting shall be deemed to be duly given to a Director if it is given to him personally or by word of mouth or given in writing or by electronic means to him at his last known address or any other address given by him to the Company for that purpose.

It shall not be necessary to give notice of a Board meeting to a Director who is absent from the United Kingdom unless he has asked the Board in writing that notices of Board meetings shall during his absence be given to him at any address in the United Kingdom notified to the Company for this purpose, but he shall not, in such event, be entitled to a longer period of notice than if he had been present in the United Kingdom at that address.

Quorum

The quorum necessary for the transaction of business may be determined by the Board and until otherwise determined shall be two persons, each being a Director or an alternate Director. A duly convened meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers, and discretions for the time being vested in or exercisable by the Board.

Voting

Questions arising at any Board meeting shall be determined by a majority of votes. In the case of an equality of votes the chairman of that meeting shall have a second or casting vote (unless he is not entitled to vote on the resolution in question).

Questions arising at any Board meeting shall be determined by a majority of votes. In the case of an equality of votes the chairman of that meeting shall have a second or casting vote (unless he is not entitled to vote on the resolution in question).

Any Director or his alternate may validly participate in a meeting of the Board or a committee of the Board through the medium of conference telephone or any other form of communications equipment (whether in use when these Articles are adopted or developed subsequently), provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting.

Resolution in writing

A resolution in writing signed or confirmed electronically by all the Directors for the time being entitled to receive notice of a Board meeting and to vote on the resolution and not being less than a quorum (or by all the members of a committee of the Board for the time being entitled to receive notice of such committee meeting and to vote on the resolution and not being less than a quorum of that committee), shall be as valid and effective for all purposes as a resolution duly passed at a meeting of the Board (or committee, as the case may be).

8. 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 Prospectus.

9. 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 Prospectus, the Group had cash resources of £1,435,000.

10. Capitalisation and Indebtedness

The following table shows the Company's capitalisation and indebtedness as at 31 December 2017.

	31 December2017
Total Current Debt	
Guaranteed	-
Secured	-
Unguaranteed/Unsecured	-
Total Non-Current Debt	
Guaranteed	-
Secured	-
Unguaranteed/Unsecured	-
Shareholder Equity	*31 December 2017*
Share Capital	74,169
Legal reserve	-
Other reserves	2,795,516
Total	**2,869,685**

As at 9 July 2018, being the latest practicable date prior to the publication of this document, there has been no material change in the capitalisation of the Company since 31 December 2017

The following table shows the Company's net indebtedness as at 31 December 2017:-

A. Cash	258,430
B. Cash equivalent	-
C. Trading securities	-
D. **Liquidity (A) + (B) + (C)**	258,430
E. Current financial receivable	-
F. Current bank debt	-
G. Current portion of non current debt	-
H. Other current financial debt	53,399
I. **Current Financial Debt (F) + (G) + (H)**	53,399
J. **Net Current Financial Indebtedness (I) - (E) - (D)**	(205,031)
K. Non current Bank loans	-
L. Bonds Issued	-
M. Other non current loans	-

N. **Non current Financial Indebtedness (K) + (L) + (M)**	-
O. **Net Financial Indebtedness (J) + (N)**	(205,031)

11. Further Disclosures on Directors and Senior Managers

11.1 The Directors and Senior Managers currently are, and have during the five years preceding the date of this Prospectus been, members of the administrative, management or supervisory bodies ("directorships") or partners of the following companies or partnerships:

Name of Director/Senior Manager	*Current Directorships/Partnerships*	*Past Directorships/Partnerships*
Michael Foster	Casa Mining Ltd Casa Resources Ltd Leda Mining Congo SA Premier African Minerals Limited Arc Minerals Ltd	Solantera Resources Ltd Kisenge Ltd Kaminex Limited
Michael Moles	Sailbird Trustees Limited JN Moles Trustees Limited Sailbird Holdings Ltd Navassa Resources Ltd Kavango Minerals Limited Krumlin Mining Ltd Zamat Investments Ltd	Rio Mazowe Ltd
Douglas Wright	Friction Free Feedback Limited	City & Westminster Corporate Finance LLP
Hillary Gumbo	3D Earth Explorations (Pty) Limited Kavango Minerals (Pty) Limited Navassa Resources Ltd	
John (Chuck) Forrest	Logwood Financial Services Limited Kundelungu Mining & Exploration Limited Red Sea Energy Limited	Kavango Resources Plc Solantera Resources Limited Casa Mining Limited Kaminex Limited Environminerals East Africa Limited DMP Drilling Limited

11.2 Potential conflicts of interest

Only Michael Foster, the Executive Director, is required to commit all of his time to the Company's affairs, which could create a conflict of interest for the other Directors when allocating his time between the Company's operations and his other commitments. 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 to the Company and his private interests or other duties.

11.3 As at the date of this Prospectus, 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.

12. Directors' and Senior Managers' terms of employment

The terms of the Directors and Senior Managers' contracts are set out below:

Douglas Wright

Douglas Wright has entered into a letter of appointment with the Company pursuant to which he has agreed to act as Non Executive Chairman of the Company. He will be paid £40,000 per annum through a nominated company and has a notice period of 6 months. During the initial 12 month period of his agreement, Douglas will receive no remuneration for his services (save for the repayment of expenses incurred) but will instead receive a corporate advisory fee of £40,000 for work carried out in conjunction with the Placing and Admission.

Michael Foster

Michael Foster has entered into a Service Agreement with the Company pursuant to which he has agreed to act as Chief Executive Officer of the Company. He will be paid £40,000 per annum and has a notice period of 6 months.

Michael Moles

Michael Moles has entered into a Letter of Appointment with the Company pursuant to which he has agreed to act as a Non-Executive Director of the Company. He will receive no remuneration for his services (save for the repayment of expenses incurred) and has a notice period of 6 months.

Hillary Gumbo

Hillary Gumbo has entered into an agreement with Kavango Minerals pursuant to which he has agreed to act as Exploration Manager of the Company. He will be paid £36,000 per annum and has a notice period of 6 months.

John (Chuck) Forrest

John Forrest has entered into an agreement, through his company Logwood Financial Services Limited, with the Company pursuant to which he has agreed to act as Chief Financial Officer of the Company. He will be paid £36,000 per annum and has a notice period of 6 months.

None of the Directors within the Group have, to date, received any remuneration or benefits in kind granted for services in any capacity to any Group company.

13. Directors'& others Lock-In

Each of the Locked In Shareholders have agreed that they shall not, offer, sell, contract to sell, pledge or otherwise dispose of any Ordinary Shares which they hold directly or indirectly in the Company, for a period of

12 months commencing on the date of Admission. After this 12 month period has lapsed, each of the Locked In Shareholders shall not, for a further 12 month period, dispose of any Ordinary Shares in the Company, save through SIC.

The restrictions on the ability of the Locked In Shareholders to transfer their Ordinary Shares, are subject to certain usual and customary exceptions for: transfers to trusts for the benefit of the Locked In Shareholders or their families; transfers to a nominee of a Locked In Shareholder, transfers to a family member, provided that in each of the foregoing cases, the transferees enter into a lock up agreement; or the acceptance of, a general offer made to all Shareholders on equal terms; after Admission.

14. Pension arrangements and bonus plan

Pension arrangements

There are no pension arrangements.

Bonus plan

There is no bonus plan.

15. Employees and Premises

During the period covered by the historical financial information the Group has employed on average the following number of people: 17

The Company does not own any premises but has entered into a licence agreement in London in order that it is able to use its registered office on an ad-hoc basis.

Kavango Minerals (Pty) Ltd shares an office with 3D Earth Explorations Ltd in Francistown, Botswana, and pays half of the rental.

16. Subsidiaries and investments

The business of the Company and its principal activity is to act as the holding company of the Group. The Group's activities and operations are carried on by Kavango Minerals.

The Group includes the following principal subsidiaries and significant investments:

Name	**Percentage Shareholding**
• Navassa	100
• Kavango Minerals	100

17. Dilution of Ordinary Share Capital

The Placing and Admission will result in 134,169,996 Ordinary Shares being in issue. The existing shareholders of the Company will be diluted by of 44.7 per cent of the Shares in issue immediately following Admission.

18. 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 Prospectus.

19. Statutory auditor

The auditor of the Company is PKF Littlejohn LLP, whose registered address is at 1 Westferry Circus, Canary Wharf, London E14 4HD. PKF was the auditor of the Group for the whole period covered by the financial information set out in Part XII ("Selected Financial Information").

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

20. Accounts and annual general meetings

The accounting reference date of the Company is 31 December and the first accounting period ended on 31 December 2017. After Admission, it is expected that the Company will make public its annual financial report within four months of each financial year end (or earlier if possible).

The Company will publish its first unaudited half-yearly financial report to 30 June 2018. It is expected that the Company will make public its unaudited half-yearly financial reports within two months of the end of each interim period.

21. Significant Change

Since 31 December 2017 (being the date as at which the financial information contained in Part XII has been prepared), there has been no significant change in the financial or trading position of the Company. No material changes have occurred since the date of the Competent Person's Report, the omission of which would make the Competent Person's Report misleading.

Since 31 December 2017 (being the date as at which the financial information contained in Part XII has been prepared), there has been no significant change in the financial or trading position of Navassa.

22. 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.

23. City Code

The City Code applies to the Company.

The City Code is issued and administered by the Panel. The Panel has been designated as the supervisory authority to carry out certain regulatory functions in relation to takeovers pursuant to the Directive on Takeover Bids (2004/25/EC) (the "Directive"). Following the implementation of the Directive by the Takeovers Directive (Interim Implementation) Regulations 2006, the rules in the City Code which are derived from the Directive now have a statutory basis.

The City Code applies to all takeovers and merger transactions, however effected, where, *inter alia*, the offeree company is a public company which has its registered office in the United Kingdom, the Isle of Man or the Channel Islands, if the company has its securities admitted to trading on a regulated market or a multilateral trading facility in the United Kingdom or on any stock exchange in the Channel Islands or the Isle of Man. The City Code will therefore apply to the Company from Admission and its Shareholders will be entitled to the protection afforded by the City Code.

Under Rule 9 of the City Code, where: (i) any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons in which he is already interested and in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company subject to the City Code; or (ii) any person who, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. but not more than 50 per cent. of the voting rights of such a company, if such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, then, except with the consent of the Panel, he, and any person acting in concert with him, must make a general offer in cash to the holders of any class of equity share capital whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights to acquire the balance of the shares not held by him and his concert party.

Save where the Panel permits otherwise, an offer under Rule 9 of the City Code must be in cash and at the highest price paid within the twelve months prior to the announcement of the offer for any shares in the company by the person required to make the offer or any person acting in concert with him. Offers for different classes of equity share capital must be comparable; the Panel should be consulted in advance in such cases.

The Act provides that if an offer is made in respect of the issued share capital of the Company, the offeror is entitled to acquire compulsorily any remaining shares if it has received acceptances amounting to 90 per cent. in value of the shares to which the offer relates, subject to the rights of any shareholders who have not accepted the offer to apply to the Court for relief. Certain time limits apply.

24. 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 Prospectus 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 Prospectus 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 Prospectus.

JV Earn In Agreement with RTME

A JV Earn In Agreement was signed between Kavango Minerals and RTME on 8 August 2014.

The terms of the agreement are summarised in Part VII of this Prospectus and the CPR.

Kavango Minerals received notice on 28 June 2018 from RTME of its intention to terminate the JV Earn In Agreement. The notice is dated 22 June 2018. In accordance with the terms of the JV Earn In Agreement, termination becomes effective 60 days after the date of the termination notice and, within that 60-day period, RTME is contractually obliged to complete a handover of the results of all exploration work in the relevant PL area and to provide details of expenditure. The Directors will be seeking to arrange a meeting with RTME in the autumn 2018.

Following receipt of this handover information, Kavango Minerals will analyse the results in order to decide its exploration strategy in relation to PL253/2012 (the PL subject to the JV Earn In Agreement). This may involve relinquishing this PL, continuing exploration, and/or identifying a new JV partner (although it is stressed that no decision can be made until such time as the results have been received).

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.

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 (the "Loan"). 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

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.

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.

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 XII.

Agreements related to the Pre-Financing Placing

Pre-Financing Placing Warrant Instrument

On 9 February 2018 the Company executed a warrant instrument pursuant to which it issued the Pre-Financing Placing Warrants were issued to the Pre-Financing Placees. Please see page 248 of this Prospectus for further information regarding the Pre Financing Placing Warrants.

Agreements Relating to the Placing, Admission and Broker

Letter of Engagement with SI Capital

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

The Company also agreed to issue to SIC warrants in respect of 2,600,000 Ordinary Shares exercisable for a two year period at the Placing Price.

Placing Agreement

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

The 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 prospectus 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."

Lock-In Deed

Under a lock-in deed dated 11 July 2018, each of the Locked In Shareholders agreed with the Company not to dispose of any of the Ordinary Shares held by him for a period of twelve months, In addition, each of the foregoing has undertaken that it will only dispose of any interest in the Ordinary Shares in the period of twelve months following the first anniversary of Admission through SI Capital to ensure an orderly market in the Ordinary Shares subject to the terms relating to the price and execution offered by SI Capital being no less favourable than other brokers at that time.

Further details are set out in paragraph 13 of this Part XIV.

Placing Warrant Instrument

The Company executed a warrant instrument on 11 July 2018 pursuant to which the Placing Warrants will be issued to the Placees. Please see page 249 of this Prospectus for further information regarding the Placing Warrants.

The Placing Warrants are not tradeable.

Broker Warrant Instrument

The Company executed a warrant instrument on 11 July 2018 pursuant to which the Broker Warrants will be issued to the Broker. Please see page 266 of this Prospectus for further information regarding the Broker Warrants.

The Broker Warrants are not tradeable.

25. Litigation

(a) There are no governmental, legal or arbitration proceedings (including any such proceedings, which are pending or threatened, of which the Company is aware) since the Company's incorporation which may have, or have had in the recent past, significant effects on the Company's financial position or profitability.

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

26. Other Information

(a) The Group does not have any registered patents or other intellectual property rights, licences or particular contracts and is not dependent on any patents, licenses, industry, commercial or financial contracts or new manufacturing processes, where such are of fundamental importance to the Company's business or profitability.

(b) There are no significant investments in progress.

(c) 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 Prospectus.

(d) No exceptional factors have influenced the Company's activities.

(e) The estimated costs of Admission (including fees and commissions inclusive of VAT) are £304,000 and are payable by the Company. The estimated Net Proceeds, after deducting fees and expenses in connection with Admission are approximately £1.435m.

(f) It is the intention of the Board that assets required by the Group for exploration and production activities will be sourced when required.

(g) PKF Littlejohn LLP has given and not withdrawn its consent to the inclusion in this Prospectus of its accountant's reports and report on the audited consolidated financial information in Part XII respectively in the form and context in which it is included and has authorised the contents of that report for the purposes of Rule 5.5.3R (2)(f) of the Prospectus Rules.

(h) Where information contained in this Prospectus 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.

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

(j) The Company confirms that no material changes have occurred since the date of the CPR the omission of which would make the CPR misleading.

(k) No documents or content of any websites are incorporated by reference.

(l) Copies of the following documents will be available for inspection during normal business hours on any business day at the offices of Keystone Law for at least one month after the date of admission:

a. the Prospectus;

b. the Memorandum and Articles of Association of the Company;

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

d. the CPR set out in Part XI; and

e.the letters of consent referred to above.

In addition, this Prospectus 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 XV

NOTICE TO INVESTORS

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

General

No action has been or will be taken in any jurisdiction that would permit a public offering of the Ordinary Shares, or possession or distribution of this Prospectus or any other offering material in any country or jurisdiction where action for that purpose is required. Accordingly, the Ordinary Shares may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offering material or advertisement in connection with the Ordinary Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This Prospectus does not constitute an offer to subscribe for any of the Ordinary Shares offered hereby to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction. This Prospectus has been approved by the FCA as a prospectus which may be used to offer securities to the public for the purposes of section 85 of the FSMA and of the Prospectus Directive. No arrangement has however been made with the competent authority in any other EEA State (or any other jurisdiction) for the use of this Prospectus as an approved prospectus in such jurisdiction and accordingly no public offer is to be made in such jurisdiction. Issue or circulation of this Prospectus may be prohibited in countries other than those in relation to which notices are given below. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to subscribe for, or buy, shares in any jurisdiction in which such offer or solicitation is unlawful.

For the Attention of European Economic Area Investors

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), an offer to the public of the Ordinary Shares may only be made once the prospectus has been passported in such Relevant Member State in accordance with the Prospectus Directive as implemented by such Relevant Member State. For the other Relevant Member States an offer to the public in that Relevant Member State of any Ordinary Shares may only be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

- to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than $43,000,000 and (3) an annual net turnover of more than $50,000,000, as shown in its last annual or consolidated accounts;

- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) in such Relevant Member State; or

- in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Ordinary Shares shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any offer of Ordinary Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Ordinary Shares (with or without warrants attached) to be offered so as to enable an investor to decide to purchase or subscribe for the Ordinary Shares (with or without warrants attached), as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression "Prospectus Directive" includes any relevant implementing measure in each Relevant Member State.

During the period up to but excluding the date on which the Prospectus Directive is implemented in member states of the European Economic Area, this Prospectus may not be used for, or in connection with, and does not

constitute, any offer of Ordinary Shares or an invitation to purchase or subscribe for any Ordinary Shares in any member state of the European Economic Area in which such offer or invitation would be unlawful.

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

For the Attention of UK Investors

This Prospectus comprises a prospectus relating to the Company prepared in accordance with the Prospectus Rules and approved by the FCA under section 87A of FSMA. This Prospectus has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Rules.

10 July 2018

PART XVI

DEFINITIONS

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

"3D"	3D Earth Explorations (Pty) Ltd;
"Acquisition"	means the acquisition by the Company of Navassa Resources Ltd, details of which are set out in Part VII of this Prospectus;
"Admission"	means admission of the Ordinary Shares to the standard segment of the Official List and to trading on the main market for listed securities of the London Stock Exchange;
"Articles of Association" or "Articles"	means the articles of association of the Company in force from time to time;
"Broker Warrants"	means the warrants to be issued to SI Capital Limited in accordance with the terms of the Placing Agreement;
"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"	means Kavango Resources plc, a company incorporated in England and Wales under the Companies Act on 31 May 2017, with number 10796849;
"Competent Person"	means MSA whose details are set out in Part IV;
"Competent Person Report"	means the independent report written by the Competent Person set out in full at Part XI of this Prospectus;
"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"	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 UK Listing Authority made in accordance with section 73A of FSMA as amended from time to time;
"DRC"	means the Democratic Republic of Congo;
"EEA"	means the European Economic Area;
"EEA States"	means the member states of the European Union and the European Economic Area, each an "EEA State";
"EM"	means electromagnetic;
"EU"	means the Member States of the European Union;
"Euroclear"	means Euroclear UK & Ireland Limited;
"FCA"	means the UK Financial Conduct Authority;
"Founders"	means Michael Foster, John Forrest and Douglas Wright;
"FSMA"	means the Financial Services and Markets Act 2000 of the UK, as amended;
"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;

"JV Earn In Agreement"	means the joint venture earn in agreement entered into on 8 August 2014 between Kavango Minerals and RTME details of which are set out in this Prospectus, as amended on 6 March 2017;
"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;
"KCP" or "KCP Project"	shall have the meaning set out on page 42 of this Prospectus;
"KSZ" or "KSZ Project"	shall have the meaning set out on page 42 of this Prospectus;
"Market Abuse Regulation"	means Regulation (EU) No. 596/2014 of the European Parliament and the Council of 16 April 2014 on market abuse;
"Listing Rules"	means the listing rules made by the UK Listing Authority under section 73A of FSMA as amended from time to time;
"Locked In Shareholders"	means each of the Directors, Hillary Gumbo, John Forrest, Teresa Foster, and the Navassa Shareholders;
"London Stock Exchange" or "LSE"	means London Stock Exchange Plc;
"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 each Michael Moles, Hillary Gumbo, Peter Anderton and Jose Medeiros;
"Net Proceeds"	means the Pre-Financing Proceeds and the Placing Proceeds less any expenses paid or payable in connection with Admission, the Placing and incorporation of the Company (and initial capitalisation) of the Company;
"New Ordinary Shares"	means the Ordinary Shares to be issued and allotted pursuant to the Placing;
"Official List"	means the official list maintained by the UK Listing Authority;

"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 VII of this Prospectus;
"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 prospecting licences;
"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, with Placing Warrants attached on a one for one basis, and on the terms and subject to the conditions set out in this Prospectus;
"Placing Agreement"	means the agreement between the Company, the Directors and SI Capital Limited described in paragraph 24 Part XIV;
"Placing Price"	means £0.025 per New Ordinary Share;
"Placing Proceeds"	means £1.5m, being the gross funds received on closing of the Placing;
"Placing Warrants"	means the warrants to be issued and allotted pursuant to the Placing;
"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 Proceeds"	means £250,200 being the funds invested, in aggregate, by the Pre-Financing Placees;
"Pre-Financing Placing Warrants"	means the warrants issued allotted pursuant to the Pre-Financing Placing;
"Projects"	means together the KCP and the KSZ Project each defined and described in Part VII of this Prospectus;

"Prospectus Directive".	means Directive 2003/71/EC (and any amendments thereto, including Directive 2010/73/EU, to the extent implemented in the relevant member state), and includes any relevant implementing measures in each EEA State that has implemented Directive 2003/71/EC;
"Prospectus Rules"	means the prospectus rules of the UK Listing Authority 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;
"RTME"	Rio Tinto Mining & Exploration Limited;
"SEC"	means the U.S. Securities and Exchange Commission;
"Securities Act"	means the U.S. Securities Act of 1933, as amended;
"Shareholders"	means the holders of the Ordinary Shares and/or New Ordinary Shares, as the context requires;
"SIC"	means SI Capital Limited, the Company's broker;
"Standard Listing"	means a standard listing under Chapter 14 of the Listing Rules;
"Transparency Rules"	means the transparency rules and corporate governance rules made by the FCA under Part IV of FSMA;
"UK Corporate Governance Code"	means the UK Corporate Governance Code issued by the Financial Reporting Council in the U.K. from time to time;
"UK Listing Authority"	means the FCA in its capacity as the competent authority for listing in the U.K. pursuant to Part VI of FSMA;
"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 "U.K."	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; and
"Warrants"	means the Pre-Financing Placing Warrants and the Placing Warrants.

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