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Investor and academic site visit to Zimbabwe exploration camp

COMPANY INFORMATION

DIRECTORS

David Smith
Peter Wynter Bee
Matthew Benjamin Turney
Brett Grist

Hillary Nyakunengwa Gumbo
Jeremy S. Brett

Donald McAlister
Alexandra Gorman

Non-Executive Chairman
Non-Executive Director
Chief Executive Officer
Chief Operating Officer
(Resigned 29 May 2024)
Founder & Executive Director
Executive Director
(Resigned 27 May 2024)
(Appointed 6 June 2024)
(Appointed 6 June 2024)

COMPANY SECRETARY

Brett Grist
Lorraine Whitehorn

(Resigned 30 September 2024)
(Appointed 30 September 2024)

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Forward Looking Statements

This Annual Report and Accounts 2024 contains certain forward-looking statements with respect to the financial condition, sustainability related matters, results of operations and business of the group, including the strategic priorities; financial, investment and capital targets; and Kavango Resources Plc's ('Kavango') ability to contribute to Kavango's environmental, social and governance ('ESG') ambitions, targets and commitments described herein.

Statements that are not historical facts, including statements about the group's beliefs and expectations, are forward-looking statements. Words such as 'expects', 'anticipates', 'intends', 'plans', 'believes', 'seeks', 'estimates', 'potential' and 'reasonably possible', variations of these words and similar expressions are intended to identify forward looking statements. These statements are based on current plans, estimates and projections, and therefore no undue reliance should be placed on them. Forward-looking statements apply only as of the date they are made. Kavango makes no commitment to revise or update any forward-looking statements to reflect events or circumstances occurring or existing after the date of any forward-looking statement.

Forward-looking statements involve inherent risks and uncertainties. Readers are cautioned that a number of factors, including ESG related factors, could cause actual results to differ, in some instances materially, from those anticipated or implied in any forward-looking statement.

CHAIRMAN'S STATEMENT

I am pleased to present the financial results for Kavango Resources Plc ("**Kavango**" or the "**Company**"), the group focussed on metals production and exploration in Botswana and Zimbabwe, for the year ended 31 December 2024.

In 2024, the Company raised £3.8 million via convertible loan notes ("**CLN**"), issued to our Deputy Chairman and our majority shareholder, providing sufficient capital to progress the first phase of the CapEx programme in Zimbabwe. A further £6.5 million was raised via subscription from a combination of new and existing shareholders post year end, placing Kavango in a strong position for a junior mining company going into 2025. The new shares were issued and the subscription funds released following the publication of the FCA approved prospectus in January 2025.

BOTSWANA

In Botswana, the Company started 2024 with the announcement of the completion of the Kalahari Copper Belt ("**KCB**") airborne geophysical survey and having undertaken a number of drilling campaigns, had by the year end gathered valuable data to build a vectoring model and determine the geophysics for the next phase of drilling. The large Karakubis Copper Project, part of our KCB mineral rights package, appears increasingly prospective for large-scale copper deposits.

During the year a technical report completed by a recognised mining advisor on the Ditau Project ("**Ditau**") concluded that Ditau is an attractive early-stage exploration project with the potential to host a variety of mineralisation styles.

A large amount of geological and geophysical work has now been completed across the area covered by the Kalahari Suture Zone ("**KSZ**") licences which has confirmed a number of important geological features. The expert Technical Report has been received and the results and recommendations of this will be used by the Company to advance the project.

ZIMBABWE

In Zimbabwe, Kavango is a gold producer whilst also exploring for gold deposits on the greenstone belt, where the focus has been those claims highly prospective for gold with the potential to be brought into production quickly.

During 2024, the Company entered into agreements for the purchase of claims known as the Hillside & Leopard Gold Projects ("**Hillside & Leopard**"), where results continue to identify a growing number of opportunities for near-term gold production. Prospect 3 has the profile for an open pit operation and heap leaching, using modern innovative mechanised mining technology developed through the experience of Australian miners. We believe that Zimbabwe has the potential for hosting a multitude of bulk mineable gold deposits.

In March 2024, Kavango Mining was established to mine gold at Hillside & Leopard.

The Company is assessing the potential for large-scale underground bulk mining at the Nara Gold Project ("**Nara**"). The option for the acquisition of claims expires on 30 June 2025 and our work in 2024 leads us to believe that Nara could be developing into a significant opportunity for Kavango.

The announcement in 2024 of the intention to implement a secondary listing on the Victoria Falls Stock Exchange following the publication of the prospectus is a progression of our commitment to invest heavily in Zimbabwe's gold exploration and mining sectors and endorses our intention to promote local ownership in Kavango, in keeping with the Company's strategy and that of the Zimbabwe Government's stated "Vision 2030" to transform Zimbabwe into a knowledge driven and industrialising upper middle-income economy.

More detailed information about the Company's projects in Botswana and Zimbabwe is provided in the CEO report.

During 2024, the Group incurred a loss of US\$ 8,662,000 equivalent to a loss of US\$ 0.59 cents per share (2023: US\$ 3,293,000, equivalent to a loss of US\$ 0.45 cents per share).

In June 2024, the directors, having considered commercial needs, restructured the Board of Kavango (the "**Board**") and were delighted when Peter Wynter Bee agreed to assume the role of Deputy Chairman. Donald McAlister and Alex Gorman joined as Non-Executive Directors and have considerably strengthened the dynamic of the Board. As recently announced, Alex will join the Company full time during mid 2025 as Chief Operating Officer and move to Zimbabwe.

I should like to take this opportunity on behalf of the Board to thank our dedicated workforce, led by our CEO and highly experienced executive team, based in Botswana and Zimbabwe, supported by consultants of the highest quality, for their hard work throughout the year, and our shareholders for their continued support and for enthusiastically sharing our vision.

Kavango started and ended 2024 in a strong position and as 2025 progresses, the Company continues to build a robust operation with the immediate focus on near term free cashflow generation, with the potential to maximise shareholder value whilst also striving for excellence by adhering to the highest ethical principles, demonstrating unwavering integrity through its actions and committing to sustainable practices in all aspects of the business.

We look forward to updating the market in due course.

David Smith
Chairman

25 April 2025

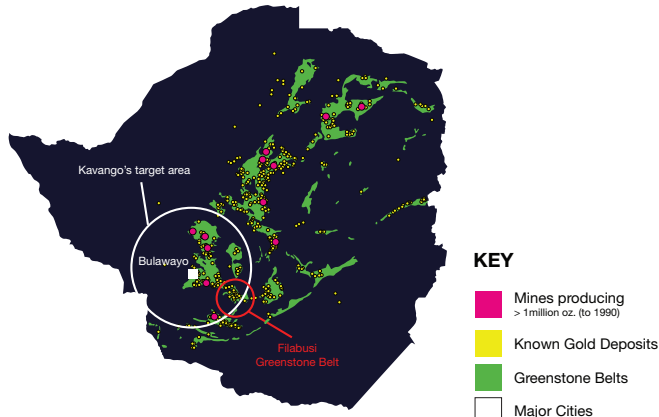
OPERATIONS REPORT



Exploration drilling

OPERATIONS REPORT

ZIMBABWE



It is difficult for a company like Kavango to communicate to shareholders quite how much effort goes into proper metals exploration. Even relatively small areas of ground, such as the 900 hectares we are exploring in Zimbabwe, can pose complex challenges to solve. Exploration over thousands of square kilometres, as we are doing in Botswana, is even more demanding.

However, Kavango is a unique company on the London Stock Exchange, thanks to the exceptional support of our major shareholder Purebond and Director Peter Wynter Bee. Through Purebond and Peter's strong financial backing, Kavango has been able to perform more like a private equity backed business rather than a listed start-up.

The speed at which our team has worked our ground in Zimbabwe has been extremely impressive. We have been able to pursue ambitious and aggressive exploration, to the point we could be on the cusp of moving into substantial cash flow generation.

2024 laid the foundation for what I hope will be our breakthrough year in 2025.

ZIMBABWE

In Zimbabwe, Kavango made outstanding progress over the course of 2024. In this year's annual report, I will present a detailed, month-by-month account of how much work our team has done. I am incredibly proud of the effort everyone has put in. This was a year in which we embedded ourselves in this country's economy and forged strong partnerships with local and national stakeholders.

Coming into 2024, our objective was to make at least one significant gold discovery that we could advance towards production. As things stand, we believe we could have made up to three, possibly even four such discoveries. We now await drill results in eager anticipation, and I hope to be able to write in next year's report that we have received

the confirmation of the results our team's hard work deserves.

During 2024, we learned a lot about operating in Zimbabwe and have gone a long way to prove that this country is "open for business". Our work in the field has demonstrated the clear potential in Zimbabwe's goldfields for modern exploration. The next stage for Kavango will be to prove that these goldfields can be developed quickly through modern mechanised mining.

Each month, our exploration team provides a written progress report. I share highlights from each report below:

- January: Hillside
 - Following field mapping of artisanal workings across the Hillside Gold Project ("Hillside Project"), three initial Prospects were identified for drilling in Q4 2023, comprising Prospect 1 – Bill's Luck, Prospect 2 – Britain, and Prospect 3 – Nightshift.
 - One preliminary exploration hole was drilled on each project to ascertain the types of lithology and structural features present, test grade and distribution together with intersection widths present in any potential hosting quartz-vein shears.
 - An additional target was identified at Prospect 4 – Steenbok, and was drilled in January. Further exploration holes were planned for this target.
- January: Nara
 - A geochemical soil sampling programme with a total of 1,777 samples was undertaken in conjunction with reconnaissance geological mapping.
 - Provisional pXRF (X-Ray Fluorescence) analyses were completed on the soil samples.
 - A large tailings dump, estimated to contain around 240,000 tonnes, was augur drilled on a 20m hole spacing. A total of 90 drill holes were completed generating 273 samples. The samples were batched and sent for analysis.
- January: Leopard
 - The Environmental Impact Assessment (EIA) was completed on the Leopard project, in preparation for an initial geochemical soil sampling program.
 - A drone survey completed over both the Leopard prospect areas (North & South), over a total area of 8.96km². The data collected included Magnetics, Digital Terrain Mapping ("DTM"), orthorectified photography.
- February: Hillside
 - The Company commenced ground IP (Induced Polarisation) surveys over four of its Hillside Project



OPERATIONS REPORT CONTINUED

prospects. The results of the work were to inform future expanded drilling programs.

- Kavango completed 16-line kms of IP survey lines over targeted areas within four prospects on the Hillside Project.
- These IP surveys were designed to identify sulphide bodies associated with high-grade gold-bearing shear structures related to historic and artisanal workings.
- Drilling on four prospects within the Hillside Project:
 - Four diamond core holes were completed for a total of 1,306m at four prospects on the Hillside Project gold targets.
 - Visual observations from the cores were very encouraging and samples were dispatched for assay.
 - An additional 1,400m of diamond drilling was planned to test targets identified from the IP survey programme and assess intersections observed in the drilling.
- February: Nara
 - Access and infrastructure preparation was completed at Nara Project for a drilling programme to be based on an initial geological mapping exercise, proposed ground geophysics, and assays from soil geochemistry programmes.
- February: Leopard
 - Preparation was underway for ground geophysical surveys and geochemical soil sampling programmes at the Leopard Project.
- March: Hillside
 - The Company formed a subsidiary in Zimbabwe; Kavango Mining (Pty) Limited ("Kavango Mining"). Kavango Mining was established to become the Company's mining arm in Zimbabwe.
 - Further, the Company signed its first contract to commence immediate gold mining operations at the Hillside Project ("Hillside") (the "Mining Contract").
 - Moving into mining provided significant proof of progress in Kavango's development by both affording a route to revenue, and in enabling the Company to navigate the challenges associated with production ahead of the Company's aim of achieving larger scale production in the longer term.
- March: Nara
 - Mapping of zones of interest, identified from old workings and artisanal mining was carried out over seven zones: South Zone, Far East Zone, Box Zone, House Zone, Old Football pitch (covering Kent mine), Killarney mine west extension and the Far West Zone.
- A programme of ground magnetic surveys was initiated to identify areas of interest utilising both Gradient Array IP and stacked Schlumberger sections.
- Equity Drilling Zimbabwe started drill programme at Nara with NASSDD001 on the South Zone and was completed at a depth of 151,40m. Lithologies intersected include meta volcanoclastic sediments and meta basalt. Several carbonate altered shear zones were noted.
- In March 2024, Kavango received a maiden Resource Estimate (the "Resource Estimate") for two tailings dumps on the Nara Project.
- The Resource Estimate highlights the potential for the tailings dumps to provide Kavango with a significant near-term source of gold production and early, non-dilutive free cash flow:
 - The Mineral Resource Estimate concludes that the two Nara tailings dumps tested together contain:
 - An Indicated Mineral Resource of 293,000 tonnes at an average of 0.62 grams per tonne ("g/t") gold, for a total of 5,860 ounces gold contained.
 - An Inferred Mineral Resource of 11,900t at 0.66g/t gold, for a total of 253 ounces gold contained.
- Some 96% of the Mineral Resource has been categorised as Indicated thus placing it into a relatively high resource category for the early stage of the project, demonstrating confidence in the continuity of the material.
- Future extraction costs will be operational, with no mining required.
- The Mineral Resource Estimate also identified upside potential at the tailings dump, highlighting the opportunity to increase tonnage at as-yet-untested depths.
- Kavango is assessing options to commercialise the gold in the Nara tailings dump.
- The Company plans to use free cash flow generated by any tailings production to advance its wider exploration activities targeting large-scale, bulk-mineable metal deposit discoveries in Zimbabwe.
- March: Leopard
 - Soil sampling programme initiated with 10 lines (line 22 to 31) over Lonely North, totalling 15-line kilometre and consisting of 602 samples.

OPERATIONS REPORT CONTINUED

- Soil sampling programme initiated with 14 lines (Line 8 to 21) over Lonely North, totalling 24-line kilometre and consisting of 601 samples.
- April: Hillside
 - First assay results from Hillside Prospect 2.
 - Hole BRDD001 was a scoping hole sited to target mineralisation below multiple sets of artisanal workings on the northern margin of a broad deformation zone.
 - BRDD001 was drilled to a total depth of 400.40 m and intersected an intensely deformed and well mineralised zone, 7.2m wide, hosting gold and associated sulphides in anastomosing shears, at a relatively shallow depth.
 - Best results* in the hole include:
 - 7.2 m @ 9.95 g/t gold from 50.64 m and including 1.61 m @ 31.57 g/t gold.
 - 2.00 m @ 2.12 g/t gold from 86.00 m.
 - An IP survey identified a series of IP (chargeability & resistivity) anomalies interpreted to represent a set of anastomosing shears hosted within a broad deformation zone, approximately 700m wide.
 - There are no artisanal workings over interpreted additional shears in the central part of the deformation zone.
 - Kavango intends to test the gold-bearing potential of these shears in future exploration by drilling a fence of holes to test for a bulk-mineable gold deposit across the entire zone.
 - The first assay results from the Hillside Prospect 4 were received:
 - Hole SKDD001 was a scoping hole sited to target mineralisation in steeply dipping shear zone below artisanal workings.
 - SKDD001 was drilled to a total depth of 247.40 m and intersected the targeted shear zone being worked by the artisanal miners.
 - Best results* in the hole include:
 - 2.53 m @ 29.08 g/t gold from 97.47 m, associated with visible gold (average peak grade of 212.07 g/t over 0.34 m).
 - 1.32 m @ 1.80 g/t gold from 214.46 m.
 - The hole contains multiple further broad zones of geochemically anomalous gold values thought to relate to additional shear zones.
 - An IP survey identified three further potential shear zones, parallel to the one being worked by artisanal miners.
 - Results were pending on four other holes drilled across three other Hillside prospects.
 - Kavango Mining to examine near surface gold mining potential at Prospect 4, based on intersected grades and ongoing artisanal mining in the area.
- April: Nara
 - Completion of the ground magnetic survey over Nara:
 - A total of 85km of ground magnetic survey lines were completed over the project area.
 - The survey has defined a 200m wide interpreted shear corridor along 5km of strike within the property, hosting a number of magnetic low lineaments interpreted as shear zones.
 - Historical and artisanal mine workings are located within the shear corridor and are closely related to magnetic low lineaments.
 - The magnetic survey has identified a number of additional exploration targets including:
 - several previously unknown magnetic low lineaments parallel to the historical workings.
 - areas of magnetic disturbance possibly representing hydrothermal alteration of magnetic rocks which may be related to gold mineralisation.
 - Jogs and flexures along the interpreted shear zone within the claims.
 - Updated Resource Estimate (the "Resource Estimate") for the largest tailings dump at Nara:
 - The updated Resource Estimate for the first time provides a Measured category of mineral resource.
 - Resource Estimate concludes that the two Nara tailings dumps tested together contain:
 - Upgrade of 77,664 tonnes ("t") to Measured Category, at an average of 0.54 grams per tonne ("g/t") gold, for a total of 1,346 ounces of gold contained.
 - Indicated Mineral Resource of 221,934t at an average of 0.65 g/t gold, for a total of 4,637 ounces gold contained.
 - An Inferred resource of 12,178t at 0.66g/t gold, for a total of 257 ounces gold contained.
 - Previously identified upside potential at the tailings dump remains in addition, highlighting the opportunity to increase tonnage at as-yet-untested depths.

OPERATIONS REPORT CONTINUED

- Future test work will assess the optimal processing route and will be undertaken at a local facility.
- Ongoing drilling at Nara.
- April: Leopard, soil sampling programme underway.
- May: Hillside
 - Kavango announced in May 2024 that it had agreed updated terms for exercise of the Hillside call option with the vendors of the Hillside and Leopard South Projects. Sale and Purchase Agreements for Hillside and Leopard South were entered into between Kavango and the sellers, and the Mining Claims are in the process of being transferred to Kavango's Zimbabwe subsidiary. The option on Leopard North was in parallel extended to 30 June 2025.
 - First assay results from the Hillside Prospect 3.
 - Hole NSDD001 was a scoping hole sited to target mineralisation below multiple sets of artisanal workings at Prospect 3.
 - NSDD001 was drilled to a total depth of 301.40 m and intersected multiple shear zones hosting sets of anastomosing gold bearing quartz veins and associated sulphide mineralisation, totalling over 40m grading >0.5 g/t gold.
 - Mineralisation starts at 12m below surface and IP anomalies suggest the shears extend to depth.
 - Best results* in the hole include:
 - 5.00 m @ 1.68 g/t gold from 97.00 m.
 - 0.97 m @ 2.14 g/t gold from 148.00 m.
 - 1.00 m @ 3.10 g/t gold from 156.00 m.
 - And includes 11.90m @ 0.92g/t from 148m.
- Interpretation of recently re-processed geophysics including drone magnetic data and IP data suggests Prospect 3 and Prospect 2 maybe located on opposite margins of a major regional deformation zone that extends 1.2km southeast to Prospect 1.
- The recently reported BRDD001 (Prospect 2) is located along the northern margin of the same deformation zone, and the width of the deformation zone between Prospect 2 and Prospect 3 is now estimated to be approximately 600m wide.
- Kavango planned an extensive ground IP programme designed to assess the extent and continuity of the (chargeability & resistivity) anomalies already identified to understand the extents of the broad shear zone.
- Additional drilling was planned to evaluate what appears to be continuity between Prospects 1 and 2, over the interpreted strike length of 1,200m.
- Results provided confirmation of a likely extensive mineralised system.
- May: Nara
 - Ongoing drilling at Nara.



Mineralised drill core, Gold assays in red

OPERATIONS REPORT

OPERATIONS REPORT CONTINUED

- May: Leopard, as above
 - On going soil sampling programme.
- June: Hillside
 - An IP programme was completed with 16.47km of Gradient IP and 6.42km of Stacked Schlumberger data.
- June: Nara
 - Ongoing drilling at Nara.
- June: Leopard
 - Samples dispatched for analysis.
- July: Hillside
 - An IP programme was completed with 13.15km of Gradient IP and 5.57km of Stacked Schlumberger data.
- July: Nara
 - Samples dispatched for analysis.
- July: Leopard
 - Awaiting assay results for the soil sampling programme.
- August: Hillside
 - Additional further significant assay results received from Prospect 2:
 - Results from the three diamond holes completed at Prospect 2 (BRDD001, BRDD002 & BRDD003, collectively the "Holes") have returned what Kavango believes to be significant assay results.
 - The Holes were designed to test for geological continuity of structures, both along strike and with increasing depth, as well as evaluating grade variation, within multiple shear zones hosting gold producing artisanal workings at surface.
 - The Holes are considered to provide further evidence of a wider gold mineralised system that it believes extends across the Hillside project area.
 - BRDD001, previously reported, was drilled to a total depth of 400.40 m, and intersected an intensely deformed and well mineralised zone, 7.2 m wide, hosting gold and associated sulphides in anastomosing shears, at a relatively shallow depth.
 - Best results* in the Hole include:
 - 7.2 m @ 9.95 g/t gold from 50.64 m and including 1.61 m @ 31.57 g/t gold.
 - 2.00 m @ 2.12 g/t gold from 86.00 m.
- BRDD002 was drilled to a total depth of 364.40 m and intersected several narrow shear zones where gold and associated sulphides were hosted in narrow quartz veins at 163 m and 263 m respectively.
- Best results* in the hole include:
 - 2.00 m @ 0.53 g/t gold from 163.00 m.
 - 1.00 m @ 3.73 g/t gold from 263.00 m.
- BRDD003 was drilled under the historic Britain mine to a total depth of 355.40 m and intersected a series of shear zones, hosting gold and associated sulphides in anastomosing quartz veins, at various intervals down hole.
- Best results* in the hole include:
 - 2.00 m @ 5.27 g/t gold from 312.50 m and including 0.50 m @ 11.01 g/t gold.
 - 1.00 m @ 7.94 g/t gold from 315.00 m and including 0.50 m @ 15.33 g/t gold.
- Gold assay results were received for its recent soil sampling programme at Prospect 4.
- The soil sampling programme returned anomalous gold in soil values over an area of 1.5km², which is underlain by greenstones and granites offset by a regional shear with multiple quartz-vein complexes producing gold from artisanal surface workings:
 - Kavango received 582 assay results for soil samples collected over 1.5km², with anomalous values received across much of the gridded area.
 - The soil samples were assayed for gold using a bottle roll cyanide leach technique at Performance Laboratories in Zimbabwe in conjunction, with handheld pXRF readings for other elements carried out by the Company.
 - Anomalous gold values appeared to be closely associated both with the E-W trending shears favoured by the artisanal and historical miners, and the SSW – NNE trending structures interpreted from geophysics.
 - Gold values appeared across the whole grid and are open to the W and E.
 - These assay results confirm a larger mineralised system presently being worked only locally by the artisanal miners. They also indicate the possible presence of additional potential gold bearing structures not yet tested or worked.



OPERATIONS REPORT CONTINUED

- August: Nara
 - On 13 August 2024, the Company announced assay results from its first six diamond holes drilled at Nara. These confirmed the presence of a gold mineralising system at Nara, highlighting anomalous gold zones underneath and directly associated with surface artisanal gold-producing structures.
 - This followed a total of 85km of ground magnetic survey lines completed over the project area to identify geological structures and contacts that may be associated with gold mineralisation. The survey defined a 200m wide interpreted shear corridor along 5km of strike within the property, hosting a number of magnetic low lineaments interpreted as shear zones which may be associated with gold mineralisation.
 - Seven lines of Stacked Schlumberger Sections were also completed for 6,600m over selected target areas. The data from this has since been inverted and modelled to provide further drill targets. Several new, previously unknown Induced Polarisation (“IP”) anomalous zones have been identified, in addition to further extensions of the existing structures already hosting mines and artisanal workings. Kavango is now working to develop its understanding of these new zones, before testing them with follow-up drilling.
- August: Leopard
 - Awaiting assay results for the soil sampling programme.
- September: Hillside
 - Drilling at Prospect 5 – Vlei.
 - Additional further positive assay results received from Prospect 3,
 - Hole NSDD002 was a follow-up hole sited to target mineralisation approximately 200m along strike from gold mineralisation intersected in NSDD001.
 - Highlights from NSDD001 included 40m of gold mineralisation grading >0.5 g/t over multiple shear zones.
 - NSDD002 was drilled to a total depth of 358.40m and successfully intersected multiple shear zones hosting sets of gold bearing quartz veins and associated sulphide mineralisation, totalling more than 20m grading > 0.5 g/t gold.
 - NSDD003 was drilled as an infill hole between NSDD001 and NSDD002 to a total depth of 352.40m.
 - NSDD003 also intersected multiple zones of mineralisation associated with quartz veins, totalling a similar mineralised width.
- Best results* in the holes include:
 - 8.20m @ 2.93 g/t gold from 66.69m in NSDD002.
 - And includes 0.35m @ 13.82 g/t gold from 68.39m in NSDD002.
 - 5.00m @ 1.80 g/t gold from 104.40m in NSDD003.
 - And includes 0.40m @ 5.79 g/t gold from 104.40m in NSDD003.
 - Anomalous IP features suggest the shears extend to depth.
 - Results provide further confirmation of what Kavango believes to be a likely extensive mineralised system, with an open strike >200m.
- September: Nara
 - Awaiting assay results from complete drilling programme.
- September: Leopard
 - Leopard soil sampling assays returned, unfortunately the results are marred by severe batch effects and possible contamination which needs to be resolved before they can be interpreted.
- October: Hillside
 - Kavango announces its plan for future production at Prospect 4. High-grade gold mineralisation is currently being extracted by contract miners on a small-scale basis at Prospect 4 and trucked 20km to the Company’s processing facility at the main Hillside Project area. Although volumes are currently low, Kavango believes there is significant scope to increase high-grade gold production at Prospect 4 over the coming 12 months.
 - To this end, Kavango has commissioned an experienced South African manufacturer to commence work on designing, building and installing a gold production plant (the “100t/d Plant”), with the capacity to process 100 tonnes per day (“t/d”) of mineralised material.
 - The 100t/d Plant will be designed as a modular plant so that it can be easily and cheaply relocated to other projects within Kavango’s inventory, in the event that Techno-Economic Assessment (“TEA”) studies at Prospect 4 supports the installation of a larger production plant.
- October: Nara
 - Awaiting assay results from complete drilling programme.

OPERATIONS REPORT CONTINUED

- October: Leopard
 - Resolving issues with soil sampling, resultant assays and trying to rectify.
- November: Hillside
 - Awaiting assay results from complete drilling programme.
- November: Nara
 - The Company announced a new phase of drilling at its Nara gold exploration project.
 - The objective for the drill programme was to test significant, previously unrecognised underground potential at Nara for laterally extensive gold mineralisation across multiple mineralised shears ("reefs").
 - Following a review of historic and recent exploration data compiled from Nara, Kavango's exploration team identified a new opportunity for the Company to pursue. The Nara project area contains several historic mines, including N1 which is reported to have produced 72,468 ounces ("oz") of gold at an average grade of 10 g/t and N2 which is reported to have produced 18,165 oz of gold at an average grade of 8.9g/t between 1904 and 1964.
 - Kavango's exploration focus on Nara is the N1 mine. N1 is currently being mined to 4-level by artisanal miners who are contracted to the current owner of Nara. Development levels 5 and 6 have flooded, which the Company believes has protected the remaining underground ore body from the artisanal miners.
 - IP surveying over the entire N1 mine zone identified a discrete resistivity low coincident with the central portion of the mine workings and the mineralisation intersected by Hole NAKLDD001.
 - Kavango's technical team believes the IP results, along with the new zones of mineralisation intersected by hole NAKLDD001, offer compelling evidence for the continuation of gold mineralisation along strike of the N1 development workings.
 - The Company initiated additional drilling and approved three holes along strike of Hole NAKLDD001 into areas of the N1 mine zone that historic development data indicate to be entirely undrilled and with no known development.
 - Hole NAKDDL002 and Hole NAKLDD004, were designed to test whether gold mineralisation continues at depth in areas to the NW and SE of NAKLDD001 respectively, where historic development appears to be restricted to shallow levels near to the surface.
- Hole NAKDDL003 was designed to test whether the mineralised structures at N1 mine extend into an area southeast of NAKDDL001 that appears to have never been mined.
- Further, all three holes have been designed to test the continuation along strike of the new hanging wall and foot wall reefs identified in Hole NAKDDL001.
- November: Leopard
 - Resolving issues with soil sampling, resultant assays and trying to rectify.
- December: Hillside
 - The Company announced the commencement of a resource drilling programme at Prospect 3.
 - The drilling programme was designed to delineate a mineral resource to form the basis for an open pit mine, and to obtain sufficient sample to conduct metallurgical test work.
 - Following receipt of the assay results from NSDD002 and NSDD003, Kavango's technical team completed a thorough compilation and review of historic and current data available to it from Prospect 3. The technical team modelled the geological and geophysical data and outlined a target area approximately 800m in length and 200m wide (350m at its widest and 45m at its narrowest). The target area remains open along strike to both the NW and SE. The target appears to contain multiple wide zones of gold mineralisation grading >0.5 g/t, with narrower high-grade zones where contract artisanal miners are currently producing gold from 12 surface workings with at least 2 different vein orientations, from oxidized meta-sediments above a granodiorite next to NSDD0002.
 - The Company believes these zones of gold mineralisation are close enough to surface to represent a possible open-pit gold deposit.
 - Kavango's technical team has outlined a programme for potential open-pit mining and heap leach processing of gold at Prospect 3. This incorporates 4 phases, with each phase being contingent upon successful completion of the preceding stage:
 - Phase 1 now commenced – Initial resource definition drilling comprising a grid of 90m deep diamond core holes over the target area, on a 25m x 50m spacing with the goal of defining an initial resource containing at least 20,000oz of gold at > 0.5 g/t. Samples from this program will be combined with bulk samples from artisanal pits to complete heap leach metallurgical test work. Metallurgical testing will seek to determine the metallurgical recovery of the gold contained in



OPERATIONS REPORT CONTINUED

the mineralised material and guide the design of the heap leach. Selected core samples will also be used for geotechnical testing to aid in the open pit mine design.

- Phase 2 – Pre-mining grade control drilling will comprise a grid of 14m deep, angled reverse circulation holes over the target resource area, on a 10m x 10m spacing. This program will enable the design of mineable mineralised blocks on the initial open pit benches.
- Phase 3 – The TEA will determine the feasibility of open-pit mining and heap leach processing at Prospect 3. The TEA will produce a mine plan for the open-pit and designs for the processing plant and heap leach pad as well as economic indicators for the project.
- Phase 4 – Commence mining and gold production.
- The Company received its first multi-element assay results which identified significant concentrations of tungsten and other strategic elements across the Hillside Project.
- The Company conducted its first phase of Inductively Coupled Plasma (“ICP”) tests on core samples collected from four diamond holes drilled at Hillside. Samples from three sets of cores returned potentially economic concentrations of tungsten and other strategic elements, including bismuth, selenium and molybdenum.
- Following this success, Kavango will widen its exploration focus in Zimbabwe to include tungsten and strategic elements. The Company will now arrange for further assays to test tungsten values and widths.
- December: Nara
 - Drilling completed before Christmas.
 - Re-sampling select drill holes for further gold fire assay and multi-element analysis.
- December: Leopard
 - Geological, structural and geochemical interpretation ongoing.

POST YEAR END:

In March 2025 Kavango announced an increase in underground potential for both lateral and vertical continuity at Prospect 1 having intersected a reef, hosting quartz and sulphide bearing veins, in a previously inaccessible level of the historic Main Shaft during shaft restoration. Kavango plans to test the extent of these reefs through a combination of surface and underground drilling. If warranted, these results will inform subsequent

drilling with the objective of defining a mineral resource at Prospect 1 for a larger, longer-term underground mine than previously anticipated. The Company’s objective is to establish Prospect 1 as a third area of near-term gold production at Hillside alongside Prospects 3 and 4. In parallel, Kavango is proposing to increase the processing capacity at Prospect 1 to provide flexibility for greater production.

The drilling programme at Prospect 3 has provided Kavango with sufficient geological information and sample material to conduct assay, metallurgical and geotechnical test work. The company’s focus is now on completing the test work to allow for an initial maiden resource and if warranted design of a trial open pit heap leach mining operation and if able to prove there is a mineable resource at Prospect 3, the aim to bring that into production in 2025.

BOTSWANA

In Botswana, Kavango focussed its attention primarily to exploration on its Kalahari Copper Belt (“KCB”) project in 2024. Interest in the KCB is high and, as of writing this report, Kavango has the largest independent contiguous block of prospecting licences in Botswana. Over the last 18 months, China’s MMG has bought Khoemacau Mining for US\$1.8 billion and BHP Billiton (ASX:BHP) has confirmed an earn-in on Cobre Limited’s prospecting licences on the northern and southern basin margins of the KCB. Kavango’s Karakubis project covers the remaining southern basin margin.

We started the year in the KCB with an airborne geophysical survey of 2,374 line-km of Time Domain Electromagnetic (TDEM), magnetic and gravity data. This work was completed in Q1 and the Company released a preliminary interpretation of the airborne survey data to inform drill targeting.

Helicopter-borne gravity clearly defined a WSW-ENE trending ~9 milliGal gravity high underlying the Kara Anticline. The Kara gravity high is one of two linear features in the regional gravity (Kara & Tsootsha gravity highs) possibly linked to the Okwa Complex, that may indicate the presence of basement highs defining multiple edges between two deeper basins, one to the south (Ncojane Basin) the other to the northeast (Ghanzi Basin) with a sub-basin to the north and west (Talismanis Basin).

Basin margins along the KCB are considered prospective sites for Cu-Ag mineralisation. Preliminary interpretation of magnetic data from this survey combined with re-processed regional magnetic data and satellite images, clearly define fold hinge targets in the D’Kar Formation (DKF) that correlate with preliminary AEM targets. Fold hinges are associated with mineralisation elsewhere on the KCB, such as at Sandfire Resources’ (ASX:SFR) Motheo Mine.

OPERATIONS REPORT CONTINUED

In May, Kavango announced placement of a drilling contract for the first phase of stratigraphic drilling on the KCB at its Karakubis Project. The appointed Contractor was Mitchell Drilling Botswana (Pty) Ltd ('Mitchell'), who have completed multiple successful diamond drilling programs in the KCB for other clients.

The Phase 1 stratigraphic diamond core drilling programme consisted of 5,000m on the Karakubis Project and comprises 10-15 holes to commence in June 2024. Drilling was designed to test stratigraphic position and structural features interpreted from helicopter electromagnetic (AEM) survey data. Drilling was designed to test targets previously identified by a combination of historic AEM, and Induced Polarisation (IP) surveys, and geological interpretation.

Kavango identified several high priority targets for its first phase of drilling. Drill holes were designed to check favourable trap sites modelled from geophysical data, to confirm stratigraphy, and to assess the potential to host large scale copper-silver mineralisation. Kavango's high priority targets were all located above interpreted, doubly-plunging fold structures over gravity highs where associated faulting is thought to be favourable for trap site development.

In October, the Company released an update on the Phase 1 stratigraphic drill campaign at the Karakubis Project on Botswana's KCB.

Kavango's analysis of intersections from its first five holes identified the same stratigraphic sequences at Karakubis as those believed to be present around Sandfire Resources' (ASX:SFR) Motheo Mine and similar to MMG's (HKEX:1208) Zone 5 Deposit. Motheo and Zone 5 are two of the largest known copper deposits in the KCB.

Further, all five holes demonstrated evidence of both functioning structural "trap-sites" and substantial hydrothermal alteration. The confirmation of these two geological "engines" is an important indicator that the ground at Karakubis has been subjected to the correct processes for the accumulation of large-scale copper-silver deposits.

Finally, the Company, through pXRF analysis, confirmed the presence of copper, silver, lead and zinc mineralisation in all five holes it drilled. The combination of these four metals is highly encouraging for Kavango's continued exploration for a major commercial discovery.

In November, Kavango completed Hole KCBDD007, and then initiated a new programme of ground geophysics using IP and Controlled Source Audio frequency Magnetotellurics ("CSAMT") with the intention of resuming the Phase 1 drilling programme after completion of the

ground geophysics has been processed, modelled and interpreted.

These survey programmes have been conducted over carefully selected drill sections and were designed to test a number of parameters to help discriminate faults, folds and possible lithologies using differences in resistivity and chargeability to resolve the contact position between the D'Kar and Ngwako Pan Formations at depth, above which sits the drill targeted zone. The Company completed its first orientation survey of deep IP, calibrating the method to achieve quality data over significant depths down from 1,200m to 0m above sea level with a section of 1,200m depth extent. This data has been peer reviewed, modelled and inverted.

Ground geophysics is ongoing in the KCB, as of writing this report.

Elsewhere in Botswana, Kavango focussed on review of its exploration data at its Ditau and Kalahari Suture Zone (KSZ) Projects.

For the KSZ, the Company initiated a new NI43-101 report in H2. Work is ongoing on this, as of writing this report.

In March, the Company published the outcome of a report from Professor Hamid Mumin on work carried out for Kavango at Brandon University, Canada. Dr Mumin identified a possible high potential Banded Iron Formation (BIF) hosted Lode Gold model at the Ditau Project. Dr. Mumin's findings were based on logging of historic third-party drill core from a previous Kimberlite Project.

Kavango considers Target il0 could represent a large-scale, continuous system. This and other models including Iron oxide copper-gold ("IOCG") continue to offer potential at Ditau. Moving forward, the Company will continue to investigate this lead with a particular focus on seeking a JV partner.

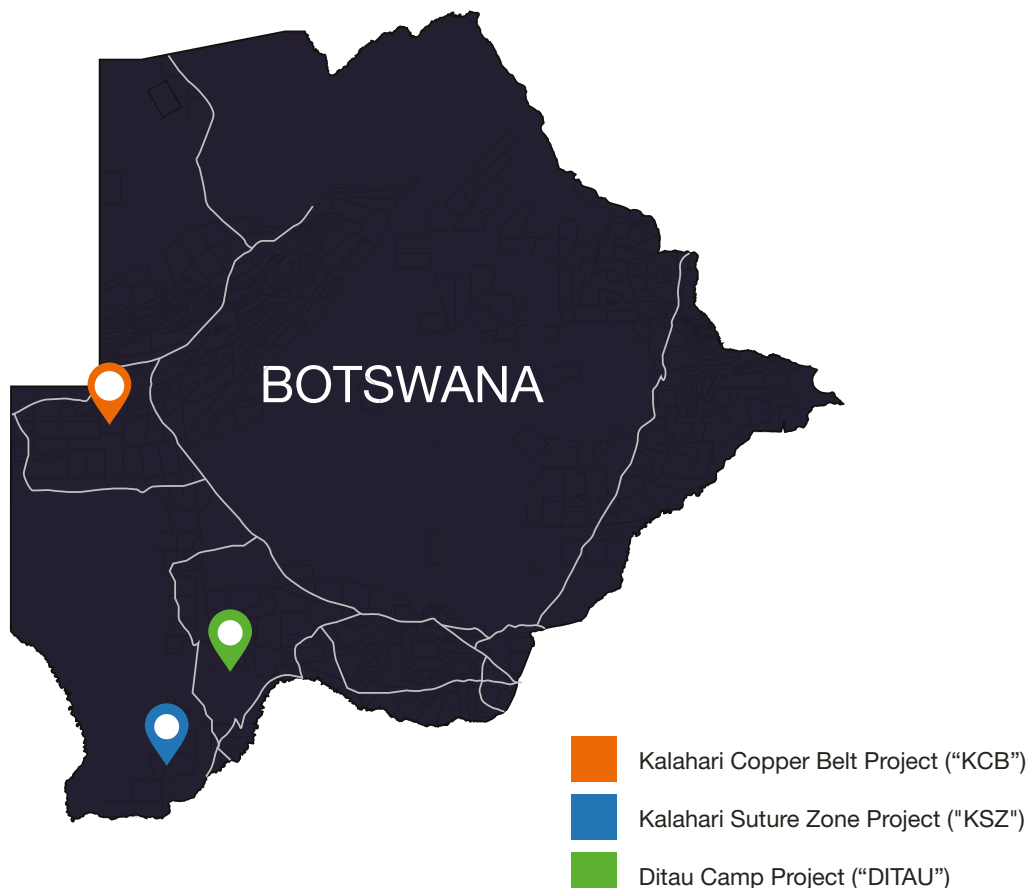
In August, Kavango released a new NI43-101-standard Report for Ditau in Botswana. The report was completed by internationally recognised mining advisor, SLR and recommends next steps for Kavango's exploration at Ditau. SLR concluded that Ditau is an attractive early-stage exploration project with the potential to host a variety of mineralisation styles warranting a systematic exploration effort consisting of detailed geophysical surveying and a significant amount of drilling. Prospective mineralisation targets include Banded Iron Formation ("BIF")-hosted orogenic gold, IOCG, and Rare Earth Element ("REE")-bearing carbonatites.

OPERATIONS REPORT CONTINUED

Over the next 12 months, in Botswana, we will continue to focus on exploring Tier 1 copper assets. Our immediate plan is to complete the current round of geophysics, followed by drilling two holes, each approximately 1,000 meters deep. The results from this will guide our next steps in exploration. If feasible, we aim to secure a joint venture (JV) partner. In Zimbabwe, the business has two main components: exploration and mining. On the exploration side, we will continue to advance our work at Hillside and Nara, with the goal of defining mineable mineral resources. On the mining front, we will increase production at Hillside through modern mechanized mining techniques. At Nara, our focus will be on processing the dump, assuming we proceed with exercising the option to acquire the project.

On publishing this annual report, Kavango should be weeks away from receiving final drill results in Zimbabwe. If all goes to plan, I look forward to reporting to shareholders next year, our successful transition from being an exploration company to a modern mechanised miner.

Matthew Benjamin Turney
Chief Executive Officer
25 April 2025





Core logging, Botswana



BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Name	Experience and background
David Smith (Non-Executive Chairman)	<p>David is a solicitor who has worked in corporate finance and the equity capital markets for over 40 years with considerable practical experience of corporate governance, regulatory and compliance issues, and has advised junior mining companies extensively throughout his career. From January 2016 to March 2021, he was a partner in Druces LLP, the Company's solicitors.</p>
Peter Wynter Bee (Non-Executive Deputy Chairman)	<p>Peter is an experienced lawyer who has focused on financing and managing mining companies. He has a strong experience in joint venture negotiations and raising project finance. Peter has raised capital for the development of projects since 1990. He was a founder of Reunion Mining plc which developed a gold mine in Zambia, a copper mine in Zimbabwe and the Skorpion zinc mine in Namibia prior to its takeover by Anglo-American. Peter served until recently as the founding director and chairman of Moxico Resources plc, the majority owner and operator of the producing Mimbula Copper Project in Zambia.</p>
Matthew Benjamin ("Ben") Turney (Chief Executive Officer)	<p>Ben is an experienced participant in London and North America's small cap financial markets. He joined Kavango's board in January 2021 and became CEO in June that year. Since then, he has played the lead role in overhauling the Company's business model. Ben has led all capital raises and managed shareholder relations. He has made key hires to the business, recruited strategic partnerships, and restructured all operations in Botswana, Zimbabwe and London. Ben has played a crucial role in upgrading the Company's exploration strategy and has worked with the board to deliver the Company's strategy.</p>

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS AND SENIOR MANAGEMENT CONTINUED

Name	Experience and background
Hillary Nyakunengwa Gumbo (Executive Director)	<p>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 until 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 was involved in the exploration and evaluation of Rockover's Dokwe Gold Project in Zimbabwe. He has been involved in a number of discoveries which include chrome at Anglo America's Inyala mine, Zimbabwe, Maligreen gold deposit and many kimberlites in Zimbabwe. In 2009, he setup 3D Earth Exploration in Botswana, a geophysical contracting and consulting company. In 2011, with Mike Moles he set up Kavango Minerals to explore for iron ore and base metals in Botswana. He is a Zimbabwean citizen, with Botswana residence status.</p>
Donald McAlister (Non-Executive Director)	<p>Donald has led numerous successful financings of mining ventures and has significant experience working in Zimbabwe and elsewhere in Africa. He was Finance Director of Reunion Mining PLC from 1994 until its takeover in 1999. He was Finance Director of Cluff Mining PLC (which became Ridge Mining PLC) from 2000 until 2009. He served as Finance Director of Mwana Africa PLC from 2009 until 2013 and served on the Board of Mwana's subsidiary companies in Zimbabwe, Feda Rebecca Gold Mine and Bindura Nickel Corporation. He was a founding director of Tertiary Minerals and remains on the company's Board. Donald has more than 30 years of experience in all financial aspects of the resources industry. His experience includes the economic evaluation of gold and base metal mines and the arrangement of project finance for feasibility studies and mine development.</p>
Alexandra ("Alex") Gorman (Non-Executive Director)	<p>Alex is a trained geologist currently working as a Mining Analyst at Peel Hunt, covering small and mid-cap mining companies listed in London. She originally trained as a geologist, working with Kavango's Consultant Geologist Dave Catterall on the Zone 5 copper discovery in the Kalahari Copper Belt, Botswana. Alex has previously worked in Bank of Montreal (BMO)'s commodities and in various analytical and consulting roles at Wood Mackenzie.</p>

STRATEGIC REPORT



Core logging, Zimbabwe

STRATEGIC REPORT

The Directors present their strategic report on the group for the year ended 31 December 2024.

PRINCIPAL ACTIVITY

Kavango Resources Plc (“the Company”) is a public limited company which is listed on the main market of the London Stock Exchange and incorporated and domiciled in the United Kingdom. Its registered address is Salisbury House, London Wall, Suite 425, London UK EC2M 5PS.

The Company is the parent company of Kavango Minerals (Pty) Ltd and Kanye Resources (Pty) Ltd, registered and domiciled in Botswana. The Company also owns 90% of Ashmead Holdings (Pty) Ltd, and Icon-Trading Company (Pty) Ltd and indirectly 90% of Shongwe Resources (Pty) Ltd, all registered and domiciled in Botswana. The Company owns 100% of Kavango Zimbabwe (Private) Limited and indirectly 100% of Kavango Mining (Private) Limited, both registered and domiciled in Zimbabwe.

The principal activity of the Company and its subsidiaries (the “Group”) is mining and exploration for base and precious metals in Botswana and Zimbabwe.

BUSINESS REVIEW

Details of the Company’s strategy, exploration activities, results and prospects are set out in the Chairman’s Statement and in the Operations Report on pages 2 to 16.

The Directors were pleased to welcome an investment in the year of £3.8 million by Purebond Limited and Peter Wynter Bee, which allowed the Company to launch its Capital Investment & Financing Programme (“Cap Ex Programme”) to develop the Company’s mining projects in Zimbabwe. The Cap Ex Programme comprises of staged capital raises for investment into specific value-generating projects. A further £6.5 million was raised via subscription from a combination of new and existing shareholders post year end.

As a result of this the Company has been able to design a capital expenditure programme to enhance existing small scale gold production and undertake exploration drilling across its four highest ranked targets.

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors have identified the following principal risks in regard to the Group’s future. The relative importance of risks faced by the Group can, and is likely to, change as the Group executes its strategy and as the external business environment evolves.

STRATEGIC RISK

The Group’s strategy may not deliver the results expected by shareholders. The Directors regularly monitor the appropriateness of the strategy, taking into account both internal and external factors, together with progress in implementing the strategy, and modify the strategy as may be required based on developments and exploration results. Key elements of this process are the Group’s monthly reporting and regular Board meetings.

CONCENTRATION RISK

The Group has six core exploration assets being licences covering the Kalahari Copper Belt (“KCB”), Kalahari Suture Zone (“KSZ”) Project, and Ditaui in Botswana, covering an area totalling 14,227.06 km² and options over claims covering the Hillside, Leopard, and Nara projects in Zimbabwe covering an area totalling 13.03 km². This totals a large area, together in excess of 14,240.09km², and also covers two countries, which the Board considers significantly mitigates against this risk. The Board understands the importance of regularly reviewing its strategy and regularly assessing other opportunities in the Botswana and Zimbabwe market and/or internationally.

EXPLORATION RISK

Exploration at the KCB, KSZ, Ditaui, Hillside, Leopard, and Nara Projects may not result in the discovery of economically viable mineral deposits.

Whilst the Directors endeavour to apply what they consider to be the latest technology to assess projects, the business of exploration for and identification of minerals and metals, is speculative and involves a high degree of risk. The mineral and metal potential of the Group’s projects may not contain economically recoverable volumes of minerals, base metals, or precious metals of sufficient quality or quantity. To mitigate this risk, the Group continues to evaluate additional opportunities, and where possible and appropriate, to acquire options over ground to enable some exploration to be conducted before completing an acquisition.

Even if there are economically recoverable deposits, delays in the construction and commissioning of mining projects or other technical difficulties may make the deposits difficult to exploit. The exploration and development of any project may be disrupted, damaged, or delayed by a variety of risks and hazards which are beyond the control of the Group. These include (without limitation) geological, geotechnical, and seismic factors, environmental hazards, technical failures, adverse weather conditions, acts of God and government regulations or delays.

STRATEGIC REPORT CONTINUED

Exploration is also subject to general industrial operating risks, such as equipment failure, explosions, fires and industrial accidents, which may result in potential delays or liabilities, loss of life, injury, environmental damage, damage to or destruction of property and regulatory investigations. The Group may also be liable for the mining activities of previous miners and previous exploration works. Although the Group intends, itself or through its operators, to maintain insurance in accordance with industry practice, no assurance can be given that the Group or the operator of an exploration project will be able to obtain insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims. The Group may elect not to become insured because of high premium costs or may incur a liability to third parties (in excess of any insurance cover) arising from pollution or other damage or injury.

MINING RISK

The Company's technical team is experienced in mining vein-hosted gold in Zimbabwe, and continuously works to assess risk to production, the ongoing economic viability of operations, and to the safety and wellbeing of those working on site. As the company continues to grow, we have implemented proactive risk management strategies, focusing on environmental, operational, and safety concerns. We engage in regular training programs for our workforce to ensure adherence to best practices and safety protocols. By fostering a culture of risk awareness and resilience, we remain committed to minimising potential disruptions and enhancing the safety and efficiency of our mining activities.

ENVIRONMENTAL, SOCIAL, AND RELATED REGULATORY RISKS

In relation to the Group's existing projects the environmental impact to date is limited to activities associated with mining and exploration. The ultimate development of any project into a mining operation will inevitably impact considerably on the local landscape and communities. Some of these projects sit in an area of considerable natural beauty, or in areas where local communities are engaged in artisanal mining, and therefore there could be opposition to mining by some parties. This may impact on the cost and/or the Group's ability to sell or move these projects into production.

While the Group believes that its operations and future projects are currently, and will be, in substantial compliance with all relevant material environmental and health and safety laws and regulations, including relevant international standards, there can be no assurance that new laws and regulations, or amendments to, or stringent enforcement of, existing laws and regulations will not be introduced.

Nevertheless, the Group will continue to vigorously apply international standards to the design and execution of any and all of its activities, including engagement and consultation with local communities, and non-governmental and Governmental organisations to ensure any impacts of current and future activities are minimised and appropriately managed. The Group has established a comprehensive suite of health, safety, environmental and community policies which will continue to underpin all future activities.

FINANCING

The successful exploration or exploitation of natural resources on any project will require significant capital investment. The sources of financing currently available to the Group are through the issue of additional equity capital in the Company or through bringing in partners to fund exploration and development costs. The Group's ability to raise further funds will depend on the success of their investment strategy and conditions in financial and commodity markets. The Group may not be successful in procuring the requisite funds on terms which are acceptable to it (or at all) and, if such funding is unavailable, the Group may be required to reduce the scope of its investments or anticipated expansion.

POLITICAL, ECONOMIC, AND REGULATORY REGIME

The licences and operations of the Group are in jurisdictions outside the United Kingdom and accordingly there will be a number of risks which the Group will be unable to control. Whilst the Group will make every effort to ensure it has robust commercial agreements covering its activities, there is a risk that the Group's activities will be adversely affected by economic and political factors such as the imposition of additional taxes and charges, cancellation or suspension of licences and changes to the laws governing mineral exploration and operations. An increase in import duties could pose an inflation risk on supply of materials.

The Group's activities will be dependent upon the grant of appropriate licences, concessions, leases, permits, and regulatory consents that may be withdrawn or made subject to limitations. There can be no assurance that they will be granted or renewed or if so, on what terms. There is also the possibility that the terms of any licence may be changed other than as represented or expected.

DEPENDENCE ON KEY PERSONNEL

The Group is dependent upon its executive management team and various technical consultants. While it has entered into contractual agreements with the aim of securing the services of these personnel, the retention of their services cannot be guaranteed. The development and success of the Group depends on its ability to recruit

STRATEGIC REPORT CONTINUED

and retain high quality and experienced staff. The loss of the service of key personnel or the inability to attract additional qualified personnel as the Group grows could have an adverse effect on future business and financial conditions.

Nevertheless, through programmes of incentivising staff, appropriate succession planning, and good management these risks can be largely mitigated.

UNINSURED RISK

The Group, as a participant in exploration and development programmes, may become subject to liability for hazards that cannot be insured against or third-party claims that exceed the insurance cover. The

Group may also be disrupted by a variety of risks and hazards that are beyond its control, including geological, geotechnical, and seismic factors, environmental hazards, industrial accidents, occupation and health hazards and weather conditions or other acts of God.

OTHER BUSINESS RISKS

In addition to the current principal risks identified above and those disclosed in note 26 to the financial statements, the Group's business is subject to risks relating to the financial markets and commodity markets. The buoyancy of both the aforementioned markets can affect the ability of the Group to raise funds for exploration. The Group has identified certain risks pertinent to its business including:

Strategic and Economic:

- Business environment changes
- Limited diversification

Operational:

- Difficulty in obtaining / maintaining / renewing Licences/ approvals
- Drilling brings inherent risk as it is subject to unknown ground conditions

Commercial:

- Failure to maximise value from the projects
- Loss of interest in key assets
- Regulatory compliance and legal

Human Resources and Management:

- Failure to recruit and retain key personnel
- Human error or deliberate negative action
- Inadequate management processes

Financial:

- Restrictions in capital markets impacting available financial resources
- Cost escalation, inflation and budget overruns
- Fraud and corruption
- Unexpected adverse fluctuations in the currency markets

The Directors regularly monitor such risks, using information obtained or developed from external and internal sources, and will take actions as appropriate to mitigate these. Effective risk mitigation may be critical to the Group in achieving its strategic objectives and protecting its assets, personnel, and reputation. The Group assesses its risk on an ongoing basis to ensure it identifies key business risks and takes measures to mitigate these. Other steps include regular Board review of the business, monthly management reporting, financial operating procedures, and anti-bribery management systems. The Group reviews its business risks and management systems on a regular basis.

KEY PERFORMANCE INDICATORS

The ongoing performance of the Group is managed and monitored using the following key financial and non-financial indicators ("KPIs") on a monthly basis:

- Progress with exploration, monitoring licence commitments and environmental compliance; and

- Cash management – sufficient to meet its obligations as they fall due.

Where any KPI shows a variance early action is taken to identify the causes and to address the issue. The Directors are satisfied with the Group's performance for the year as the Group is either on track or ahead of its licence spending commitments and has been able to control costs despite inflationary pressures. The Company has continued to successfully raise finance to support its working capital requirements and exploration programme.

CAPITAL STRUCTURE

The Company's capital consists of ordinary shares which rank pari passu in all respects which are traded on the Main Market of the London Stock Exchange. There are no restrictions on the transfer of securities in the Company or restrictions on voting rights and none of the Company's shares are owned or controlled by employee share schemes. There are no arrangements in place between shareholders that are known to the Company that may restrict voting rights, restrict the transfer of securities, result

STRATEGIC REPORT CONTINUED

in the appointment or replacement of Directors, amend the Company's articles of association or restrict the powers of the Company's Directors, including in relation to the issuing or buying back by the Company of its shares or any significant agreements to which the Company is a party that take effect after or terminate upon, a change of control of the Company following a takeover bid or arrangements between the Company and its Directors or employees providing for compensation for loss of office or employment (whether through resignation, purported redundancy or otherwise) that may occur because of a takeover bid.

THE TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

The task force on climate-related financial disclosures ("TCFD") aim to provide investors, lenders, and other stakeholders with information necessary to assess climate-related risks and opportunities. The Group takes various actions throughout local operations to mitigate the potential impacts of the Group's activities. The Directors recognise the benefits of disclosing climate-related financial information.

ALIGNED WITH GLOBAL EFFORTS

Increasing global recognition of the need for urgent climate action is driving the demand for certain 'critical' minerals. The Group businesses can contribute to the clean energy transition, as explorers and producers of minerals needed for renewable energy infrastructure, energy storage systems and electric vehicles production. As a part of this critical and transition minerals supply chain, the Group are committed to the ethical, safe and responsible production of mineral products.

At Kavango, we recognise the extensive science revealing the scale of the climate challenge that we face as a global society. The Paris Agreement has been ratified by 194 nation states and the European Union, including all parties to the United Nations Framework Convention on Climate Change, and represents over 98% of global greenhouse gas emissions – showing the extent of global recognition of this threat. As a mineral exploration company and early stage producer, the Group has just started the process to inform our business on how best to support the objectives of the Paris Agreement through the lifetime of our assets.

GOVERNANCE

Our Board, together with its standing committees, and specifically the ESG Committee, has oversight of our work on climate change and decarbonisation, as a material strategic and governance issue. The Board oversees the company's approach to managing climate change risk and delivering on related commitments, recognising:

- Interdependency – the Group's operations are dependent on and have an impact on the natural environment.
- Opportunity – as a minerals exploration company and early stage producer, the Group is growing our knowledge of the opportunities to best manage our business and its impacts in the context of climate change.
- Influence – as a minerals exploration company and early stage producer, the Group business model means that the duration of our ownership of individual assets may be short or early in the minerals lifecycle, and therefore that the minerals to which we have title are not subject to energy intensive processes under our stewardship, limiting our opportunities to impact on decarbonisation.
- Reality – that as a minerals exploration company and early stage producer, the scope of our systems are necessarily simple and specific to the exploration and operating context to which our business is exposed.

Our Chief Executive Officer, together with our Executive Management, is accountable for executing our approach to climate change. Reflecting the early stage focus of our business, as a mineral exploration company and early stage producer, our team's performance is linked to successful identification of minerals, and economic mineral deposits. We are continuing to develop our performance recognition and reward systems and intend that climate-related key performance indicators will form part of short and long-term incentive plans. This will help to drive outcomes that protect and create long-term value.

MATERIALITY

In 2025 the Group undertook its first formal materiality assessment and in parallel have commenced an extensive upgrade of its enterprise risk management register, to inform on the double materiality elements of climate change:

- The risk that the Group's activities pose to the environment, including the climate; and
- The risks that climate change pose to the Group's activities including both transition and physical climate change impacts.

The outcomes of these processes will inform objectives and key performance indicators specific to the business and any material aspects related to climate change.

STRATEGIC REPORT
CONTINUED

ENGAGEMENT

As part of the materiality assessment, the Group has applied leading practices including inviting a cross section of key stakeholders including investors, employees, Board members, management and others, to formally participate. The process, lead by an independent external consultant, is a strategic exercise designed to identify material environmental, social and governance (sustainability) topics for disclosure and ongoing management by the business. The process draws on internal documentary sources and perspectives, as well as international sustainability reporting standards and corporate practice. Topics will be assessed against views of the significance of our economic, environmental, and social impacts – in line with good reporting practice – incorporating outputs from:

- Internal and external stakeholder survey;
- Company enhanced enterprise risk register;
- Peer company disclosures;
- Industry standards and frameworks of relevance to the Group's business.

It is intended that the finalised materiality matrix will be validated by senior management, with routine reviews as part of corporate disclosure undertakings, being utilised to assess frequency of update of the materiality assessment.

Integrity and governance*Business Governance*

- Board Sustainability Committee mandate
- Executive Management frameworks
- Key performance indicators

Strategic Risk Management Frameworks

- Enhancement of enterprise risk management system
- Inaugural materiality survey and related benchmarking

Climate risks and opportunities*Identifying the Impacts*

- High level climate scenario modelling and analysis
- Transition risk assessment
- Physical risk assessment

Exploring opportunities

- Opportunities assessment
- Energy supply security assessment
- Energy supply contracts

CLIMATE CHANGE ACTION PLAN

Within the Group, our inaugural climate change action plan has been designed to advance activities to understand the processes and extent of the Group's activities as contributors to climate change, as well as the potential impacts of climate change on the Group activities. The plan will be updated every three years to ensure its continued evolution with our business and the environment.

Our approach to climate change, informing our climate change action plan, is driven by these key themes:

- Integrity and governance – the strategic elements of the plan that relate to the positioning of our business in a global context, and the governance we anticipate implementing to reflect this;
- Climate risks and opportunities– understanding the impacts that climate change may have on our business, as well as the impacts our business may have in relation to climate change;
- Management, monitoring and reporting – the tactical elements of the plan that relate to our progress in managing climate risks and disclosure on same.

Management, monitoring and reporting*Business Integration*

- Energy and emissions tracking
- Scope 1 and 2 energy use and emissions reporting
- Opportunities advancement
- Other TCFD related reporting

Managing Impacts

- Business continuity planning

CLIMATE-RELATED RISKS, OPPORTUNITIES, IMPACTS AND DEPENDENCIES

Within the Group, the enhancements that we are making will allow climate-related risks and opportunities to be identified, like all strategic risks, as an integral part of our Enterprise Risk Management and Materiality processes. These processes will be complemented by supporting processes to understand:

- transition risks – arising from changes in the real economy as a result of global efforts to mitigate or reduce greenhouse gas emission and adapt to the existing or expected impacts of climate change.

- physical risks – arising from changes in planetary conditions due to increasing greenhouse gas concentrations, leading to changes in climatic patterns (chronic) and more frequent and severe weather-related events (acute).
- impacts and dependencies – arising from the duality of the relationship of the business with the natural environment – where the company has an impact on natural capital, as well as relying on ecosystem services to enable it to function.

STRATEGIC REPORT CONTINUED

PHYSICAL RISKS

As part of our inaugural climate change action plan, we have undertaken to complete high level climate scenario modelling to obtain a view of climate-related risks for the Group businesses and key parts of our supply chain.

Exposure to physical hazards will be based on third-party verified and credible global climate data and climate model providers including sources utilised by the World Bank Climate Knowledge hub and the World Resources Institute Aqueduct. Physical risks will initially be assessed in a high-emissions climate scenario in line with the Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathway (RCP 8.5). This scenario provides a robust assessment of potential impacts, as it goes beyond the global base case assumption of at least 2°C of warming and assumes more severe physical impacts, allowing us to stress test exposure of our assets and resilience to physical climate change.

From this process, we expect to identify climate hazards of concern to our business that will inform further business actions, development of more detailed business continuity plans, and, as applicable to the business, transition planning.

RESPONSIBLE ENERGY AND EMISSIONS MANAGEMENT

In line with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), the Group expects that as a result of the processes that we have commenced under our inaugural climate change action plan, that during the three-year plan period, we will be in a position to commence reporting on energy use and emissions. Key performance indicators that we expect to track and report on include:

- Diesel and petrol used in our exploration and processing activities
- Scope 1 emissions from diesel and petrol usage
- Electricity used at our processing facility
- Scope 2 emissions from electricity consumption

Data that is compiled will be subject to analysis so as to inform strategic decisions and investments via our capital allocation framework, including those which support our climate change commitments. Investment decisions to drive decarbonisation within our business and sphere of influence, consider project returns and portfolio value, in the context of prevailing and future carbon pricing and the output of the Group's risk assessments.

SECTION 172(1) STATEMENT – PROMOTION OF THE COMPANY FOR THE BENEFIT OF THE MEMBERS AS A WHOLE

Kavango is a production and exploration business focussed on gold and copper, operating in Zimbabwe and Botswana. Kavango's long term strategy is the exploration and development of low technical risk gold and copper projects and to bring them into production. Until there is a regular income stream the Company is dependent upon raising funds for its continued operation. The nature of the business is important to the understanding of the Company by its members, employees and suppliers.

The Board understands the importance of regularly reviewing its strategy and of regularly assessing other opportunities in the Botswana and Zimbabwe market and/or internationally. In August 2024, the Company announced that it had designed a capital expenditure programme, which comprises of a number of staged capital raises for investment into specific value-generating projects. The primary objective being to define mineable gold resources and acquire plant and equipment for larger-scale production. A number of exploration work streams have been running in parallel to maximise the speed of growth, and the move into resource drilling. As Kavango's business grows and the Company establishes a track record of success, the Board anticipates accessing other pools of capital to fund growth.

The Company engages regularly with its shareholders to ensure that its strategy, operational results and financial performance are clearly understood. Kavango engages with shareholders via roadshows, attending investor conferences and through regular reporting on the London Stock Exchange ("LSE"). The Company regularly takes part in investor conferences, both in the UK and internationally. LSE announcements include details of the website, X (formerly Twitter) account and include phone numbers to contact the Company and its professional advisors. Kavango is committed to conducting business in an ethical and honest manner in all the jurisdictions in which it operates and to implementing and enforcing systems that ensure bribery is prevented. The Company has a strict policy regarding anti-bribery and corruption.

The full Corporate Governance policy can be found on the Company website. www.kavangoresources.com.

The impact of the Company's activities on its stakeholders, employees and suppliers and the likely impact of operations on the environment and local communities are of foremost importance to the directors when making business decisions.

STRATEGIC REPORT CONTINUED

Engagement with local communities is dependent on jurisdiction and the stage of development but is typically by public forum or with local or regional leaders, including site visits and workshops. Wherever possible, local communities are engaged in safe geological operations and support functions required for field operations and the delivery of Kavango's strategy, for the wider economic benefit of the local communities in the areas in which the Kavango group has a presence, which it believes is vital to the success of the Company.

The Company is committed to continually improving community development and community investment programmes through monitoring, measuring, and managing its social and economic impacts, placing local people at the centre of development by helping to build their capacity to control their own development. Community initiatives have included assistance to a rural school and sponsorship of a local football team.

The Company seeks to maximise local employment; the Botswana based team are all Botswana nationals, and in excess of 90% of the Zimbabwe team are Zimbabwean nationals.

Kavango strives to develop strong relationships with local governments and forge government partnership for socioeconomic diversification and mine development in rural areas, whilst always conforming to its core values.

The welfare and safety of the Group's employees, workforce, contractors and suppliers is of paramount importance to the directors and executive team who oversee and strictly enforce the Company safety policy across the Group. Employee training focuses on operating safely and considerately.

Kavango is committed to acting professionally and fairly for the benefit of its members as a whole, in pursuit of the success of the company. Kavango is committed to acting with integrity in all its business dealings and relationships, whilst striving for excellence by adhering to the highest ethical principles, demonstrating unwavering integrity through its actions and committing to sustainable practices in all aspects of the business.

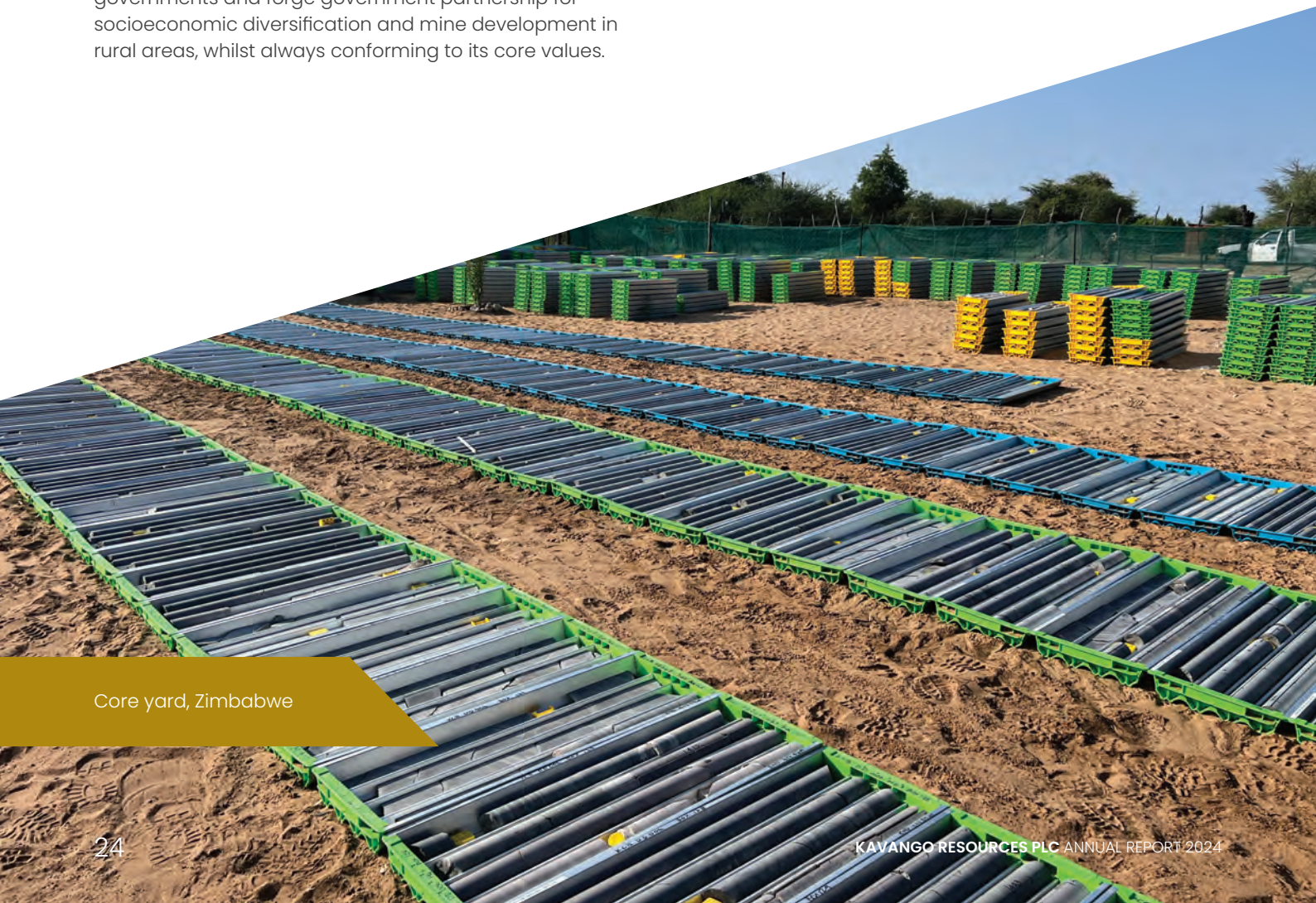
This Strategic Report was approved by the Board of Directors and is signed on its behalf by:

Matthew Benjamin Turney

Director

25 April 2025

Core yard, Zimbabwe





DIRECTORS' REPORT

The Directors present their annual report on the affairs of the Group and Company, together with audited financial statements, for the year ended 31 December 2024.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

A review of the current and future development of the Group's and Company's business is included in the Operational Report.

SUBSEQUENT EVENTS

Details of subsequent events after the year end are disclosed in note 29 to the financial statements.

DIVIDENDS

The Directors do not propose a dividend in respect of the year ended 31 December 2024 (2023: none).

DIRECTORS

The Directors of the Company who served during the year and up to the date of signing this report are as follows:

David Smith
Matthew Benjamin (Ben) Turney
Hillary Gumbo
Brett Grist (resigned 29 May 2024)
Peter Wynter Bee
Jeremy S. Brett (Resigned 27 May 2024)
Donald McAlister (appointed 6 June 2024)
Alexandra Gorman (appointed 6 June 2024)

Directors' interests in the ordinary share capital of the Company at the date of this report are disclosed within the Directors' Remuneration Report.

DIRECTORS' INDEMNITIES

The Company has made qualifying third party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report

USE OF FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Details of the use of financial instruments and associated risk management by the Group are included in note 26 to the financial statements.

SUBSTANTIAL SHAREHOLDERS

As of 10 April 2025 (being the closest relevant data for which data has been provided), the Company had been notified, in accordance with chapter 5 of the Disclosure Guidance and Transparency Rules or via disclosures under s.793 of the Companies Act, of the following voting rights of 3% or more in its issued share capital:

Party name	Number of ordinary shares	% of share capital
Purebond Limited	2,140,222,639	70.20%
Peter Wynter Bee*	264,347,338	8.67%
Total	2,404,569,977	78.87%

*Includes shares held by Wynter Bee Resources Limited

Total shares in issue: 3,048,706,821

CAPITAL STRUCTURE

Details of the capital structure of the Company are included in the Strategic Report and note 22 to the financial statements.

GREENHOUSE GAS EMISSIONS AND ENERGY USE

Given the nature of its activities which can include airborne geophysics and the operation of drill rigs, the Group is conscious of greenhouse gas emissions. The Directors are mindful of their responsibilities in this regard and strive to seek opportunities where improvements may be made. Examples of actions on this include installation by the Company of solar power and battery storage for its office and exploration camp in Zimbabwe. The Company is exempt from the Streamlined Energy and Carbon Reporting (SECR) requirements since its energy consumption is less than 40,000 kWh per annum.

GOING CONCERN

The consolidated and company financial statements have been prepared on a going concern basis. In assessing whether the going concern assumption is appropriate, the Directors have considered all relevant available information about the current and future position of the Group, including the Group's cash position and the budgeted level of spending on exploration and corporate activities. The Directors are satisfied that following the successful completion of fundraising in January 2025, which raised gross proceeds of US\$ 8,160,000, the Group has sufficient cash reserves to sustain the minimum level of exploration spending that is required as part of licence conditions and minimum corporate overheads activities for a period of not less than 12 months from the date of signing these financial statements. Therefore, the Directors continue to adopt the going concern basis of accounting in the preparation of the financial statements.

POLITICAL DONATIONS

The Group made no political donations during the year (2023: none).

DIRECTORS' REPORT CONTINUED

AUDITORS AND DISCLOSURE OF INFORMATION TO AUDITORS

Each Director in office at the date of approval of this report has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- each Director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The Group's auditors, PKF Littlejohn LLP, have indicated their willingness to continue in office and, on recommendation of the Audit and Risk Committee, a resolution that they should be re-appointed will be proposed at the annual general meeting of the Company.

The Corporate Governance Report forms part of this report.

This report sets out the information the company and the Group are required to disclose in the Directors' report in compliance with the Companies Act, the Financial Conduct Authority's Listing Rules (Listing Rules), the Disclosure Guidance and Transparency Rules (DTRs), and the Quoted Companies Alliance (QCA) Code. This report should be read in conjunction with the Strategic Report set out on pages 17 to 23 and the Corporate Governance Report set out on pages 26 to 34. Together, the Strategic Report, this Directors' Report, and other sections of the Corporate Governance report incorporated by reference, when taken as a whole, form the Management Report as required under Rule 4.1.5R of the DTRs.

This Directors' Report was approved by the Board of Directors on 25 April 2025 and is signed on its behalf by;

Matthew Benjamin Turney
Director



Team photo at Bills Luck Mine, Zimbabwe

CORPORATE GOVERNANCE REPORT



CORPORATE GOVERNANCE REPORT

The Chairman of the Board of Directors of Kavango has a responsibility to ensure that Kavango has a sound corporate governance policy and an effective Board.

As a company listed on the Main Market, 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, looks to comply with the QCA Code.

In light of the Company's size and recent history, during the year, the Company has deviated from the QCA Code in the respects outlined below. The Board continues to review its governance arrangements, aided by the appointments of Donald McAlister and Alex Gorman as Non-Executive Directors in June 2024. In the year the Company continued its Board Evaluation process. Governance policies were also comprehensively reviewed:

- The provisions relating to the composition of the Board and the division of responsibilities were not complied with during the year as the Board felt these provisions to be inappropriate, given the size of the Company and the scope of its activities.
- The Board does not consider an internal audit function to be required given the size of the Company and number of transactions.
- A diversity policy as applied to the Company's administrative management and supervisory bodies has been developed and biographies of Directors and senior management and their relevant experiences are set out on pages 15 and 16.
- Implementation of Board evaluation remains ongoing.

The Board considers that the Company complies with the QCA code so far as is practicable having regard to the size, nature and current stage of development of the Company.

The Directors are responsible for internal control in the Company and for reviewing effectiveness. Due to the size of the Company, all key decisions are made by the Board. The Directors have reviewed the effectiveness of the Company's systems during the period under review and consider that there have been no material losses, contingencies or uncertainties due to weaknesses in the controls.

Details of the Company's business model and strategy are included in the Chairman's Statement, the Operations Report, and the Strategic Report.

The sections below set out how the Group applies the principles of the QCA Code and sets out areas of non-compliance.

1. ESTABLISH A STRATEGY AND BUSINESS MODEL WHICH PROMOTE LONG-TERM VALUE FOR SHAREHOLDERS

The Company is involved with gold production in Zimbabwe and precious and base metal exploration in Botswana and Zimbabwe. Our goal is to deliver long term value for our shareholders. We aim to do this by identifying high calibre grassroots and early-stage exploration projects and advancing these. Consequently we:

- use our expertise to identify those areas with potential for discovery of economically feasible deposits;
- assess the business environment of Botswana, Zimbabwe, and other potential target territories and their attractiveness for prospecting and eventual mining operations; and
- understand existing interests in prospecting licence areas in order to ensure we can earn-in to existing interests on terms favourable to our shareholders.

Early-stage mineral exploration is by its nature speculative, and we aim to reduce the risks inherent in the industry by careful application of funds throughout individual projects. We do this by:

- Reviewing existing exploration data and projects, using a stage-gate approach;
- Establishing close in-country partnerships and financing for our projects;
- Applying the most appropriate yet cost-effective exploration techniques in order to determine whether further work, using increasingly expensive exploration techniques, is justified; and
- Appreciating the likely realisation routes that will be available to us as a project moves towards development.

Key challenges include:

- Technical risk; the risk of not being successful in finding a mineral deposit. This is minimised by a combination of selection of favourable ground, use of appropriate exploration methods, and employment of skilled personnel.
- Social licence to operate; the risk that exploration results in negative community response. This is minimised by carrying out consultation ahead of work, ensuring that open routes of communication are established, and by being part of the community; maximising local benefits such as employment, implementing community projects where appropriate, and minimising negative impacts.
- Availability of funding; this is mitigated by the employment of senior personnel who are able to identify opportunities for funding, where possible on equitable terms for the company.

CORPORATE GOVERNANCE REPORT CONTINUED

- Availability of personnel; shortage of suitable team members, or issues with retention. The Company has to compete with other mining industry employers. It has been successful in offering a range of interesting employment on attractive financial terms to its employees. The Company is keen to nurture talent and encourages further study, including sponsoring an employee in Botswana to complete a further degree and working to create student collaborations with universities in Zimbabwe and the UK.
- Risks to the Company's Prospecting Licences; risk of cancellation. Botswana has a clearly stated mining law, which sets out requirements for applying for and maintaining Prospecting Licences. The Company continuously monitors its licences for compliance and maintains dialogue with the mines department. In Zimbabwe, mineral rights are not presently held directly by the Company but are instead held through Options with third party companies. The Company endeavours to carry out due diligence on both the underlying Claims and third-party companies, and to identify and mitigate any areas of uncertainty.
- Political Risk; Botswana has historically had a stable government. The elections were held in 2024 and the next Botswana general election must be held no later than 5 January 2030. In Zimbabwe general elections are held every 5 years, the latest elections were successfully held in 2023. The government is stable but there is potential for reviews of legislation, which can cause a lack of fiscal stability for an investor.

2. SEEKING TO UNDERSTAND AND MEET SHAREHOLDER NEEDS AND EXPECTATIONS

The Company is committed to engaging with its shareholders to ensure that its strategy, operational results, and financial performance are clearly understood. We engage with our shareholders via online presentations, roadshows, attending investor conferences and through our regular reporting on the London Stock Exchange. LSE announcements include details of the website, X (formerly known as Twitter) page and include phone numbers to contact the Company and its professional advisors.

PRIVATE SHAREHOLDERS

The Annual General Meeting ("AGM") continues to be available as a forum for dialogue between retail shareholders and the Board. The Notice of Meeting is sent to shareholders at least 21 days before the meeting. Subject to travel limitations all Directors endeavour to attend the AGM and to be available to answer questions raised by shareholders. The results of the AGM are announced via the London Stock Exchange. In addition, the Executive Directors regularly attend investor forums specific to the mining industry and engage with shareholders at those events.

Investors can contact us via our website (<https://www.kavangoresources.com/>) or by email at shareholders@kavangoresources.com. Retail shareholders also regularly attend investor evenings held by our broker or other industry bodies and we publicise our attendance via LSE announcements and X (formerly known as Twitter). In addition, our corporate presentations are made available on our website.

INSTITUTIONAL SHAREHOLDERS

The Directors actively seek to build a relationship with institutional shareholders. Shareholder relations are managed primarily by the Directors. The Directors make presentations to institutional shareholders and analysts throughout the year through events such as the I2I Group. We also have ad-hoc meetings with our shareholders via conference calls, online presentations, and email. The Board as a whole is kept informed of the views and concerns of major shareholders by the Chief Executive Officer. Any significant investment reports from analysts are also circulated to the Board. The Non-Executive Chairman is available to meet with major shareholders if required to discuss issues of importance to them and is considered to be independent from the executive management of the Company.

3. TAKE INTO ACCOUNT WIDER STAKEHOLDER AND SOCIAL RESPONSIBILITIES AND THEIR IMPLICATIONS FOR LONG-TERM SUCCESS

Aside from our shareholders, our most important stakeholder groups are our employees, local partners and those local communities that may be impacted by our exploration activities. The Board is regularly updated on stakeholder issues and their potential impact on our business to enable the Board to understand and consider these issues in decision-making. The Board understands that maintaining the support of all its stakeholders is paramount for the long-term success of the Company. The operational team make contact with landowners and residents prior to commencing work in an area and aim to maintain open dialogue. Regular briefings and meetings are held with in-country government officials from the Ministry of Mineral Resources, Green Technology and Energy Security in Botswana, and the Ministry of Mines and Mining Development in Zimbabwe, as well as civic leaders.

EMPLOYEES

We maintain only a small permanent staff in Botswana and Zimbabwe, and a very small team in the UK. Employee engagement with the Directors is frequent with regular calls held with the in-country management. The Executive Directors regularly visit the project sites and meet the employees, and two Directors, including the CEO (as of 2024) reside in Zimbabwe. A third Director will move to Zimbabwe in 2025. The Company has sponsored an employee to study internationally for a master's degree,

CORPORATE GOVERNANCE REPORT CONTINUED

funds professional memberships for appropriate team members, and has funded attendance at conferences.

CORPORATE CULTURE

We empower our employees to work in a mutually respectful and safe environment where they can make suggestions and contribute to the Company's success. Example interactions include health and safety and technical items. The Company is keen to support its workforce, providing training to expand capabilities, and favourable working terms that include support for healthcare. The Company is still at an early stage but has already developed a culture for our in-country operations where employees are mutually respectful, and where gender or ethnicity are no barrier to progression.

LOCAL PARTNERS AND COMMUNITIES

Our operations provide employment in remote areas of Botswana and Zimbabwe. Essential to our success is the establishment of close working relationships with local partners. We seek local partners who have a good understanding of the local exploration and mining industry and regulations within the country, and with the capacity and capability to assist with the management and maintenance of the project.

We are mindful of our obligations to the local environment and operate to high levels of health and safety in respect of both our local workers and the local community. Employee training focuses on operating safely and considerately in these communities. Engagement with local communities is dependent on jurisdiction and the stage of exploration but is typically by public forum or with local or regional leaders, including site visits and workshops. Social projects in the local communities are dependent on local needs and also the stage of exploration/level of project investment. Examples of our social projects have included support to local schools including hygiene needs, computer hardware, and prizes, as well as sponsorship of a local football team.

As projects move forward, we will seek to bring in partners who can credibly make the investments move towards the expansion of mine production. In doing so we have regard for their ability and desire to move projects forward, their industry reputation and their commitment to treating the local communities fairly and protecting the environment. We enter agreements that allow us to monitor their activities and have monthly updates on project progress.

4. EMBED EFFECTIVE RISK MANAGEMENT, CONSIDERING BOTH OPPORTUNITIES AND THREATS, THROUGHOUT THE ORGANISATION

AUDIT, RISK, AND INTERNAL CONTROLS

(i) Financial controls

The Company has a framework of internal financial controls, the effectiveness of which is regularly reviewed by

the Directors and the Audit and Risk Committee, and which was updated in 2024. The key financial controls are:

- The Board is responsible for reviewing and approving overall Company strategy, approving new exploration projects and budgets, and for determining the financial structure of the Company including treasury, tax, and dividend policy. Monthly cash flow forecasts are reported to the Board;
- The Audit and Risk Committee assists the Board in discharging its duties regarding the financial statements, accounting policies and the maintenance of proper internal business, and operational and financial controls;
- Regular budgeting and forecasting are performed to monitor the Company's ongoing cash requirements and cash flow forecasts are reported to the Board on a bimonthly basis;
- Actual results are reported against budget and prior year and are circulated to the Board;
- Regular reviews of exploration results are performed as the basis for decisions regarding future expenditure commitment, using a stage-gate methodology;
- Due to the international nature of the business, there are, at times, significant foreign exchange rate movement exposures. Cash flow forecasting is done at the 'required currency' level and foreign currency balances are maintained to meet expected requirements; and
- We manage exploration risk of failure to find economic deposits by low cost early-stage exploration techniques with detailed analysis of results. Moving projects to more expensive exploration techniques requires a rigorous review of results data prior to deciding whether to proceed with further work.

(ii) Non-financial controls

The Board has ultimate responsibility for the Company's system of internal control and for reviewing its effectiveness. However, any such system of internal control can provide only reasonable, but not absolute, assurance against material misstatement or loss. The Board considers that the internal controls in place are appropriate for the size, complexity, and risk profile of the Company. The principal elements of the Company's internal control system include:

- Close management of the day-to-day activities of the Company by the Executive Directors;
- An organisational structure with defined levels of responsibility, which promotes entrepreneurial decision-making and rapid implementation while minimising risks; and
- Central control over key areas such as capital expenditure authorisation and banking facilities.

CORPORATE GOVERNANCE REPORT CONTINUED

The Company regularly reviews the effectiveness of its system of internal control, whilst also having regard to its size and the resources available, and extensive improvements to its internal controls have been implemented. As part of the Company's plans, we continue to review a number of non-financial controls covering areas such as regulatory compliance, business integrity, health and safety, and corporate social responsibility. A register of Conflicts of Interest is maintained. Standard Operating Procedures have been developed for any high safety risk activities, and Risk Assessments are carried out for new activities. Safety Performance is measured through key metrics. All employees are made aware on joining of their obligations under anti-bribery and corruption legislation, and this is also reflected in the Company's key contracts.

The Company's risk appetite and risk tolerance are outlined in the Strategic Report on pages 17 to 23.

5. MAINTAIN THE BOARD AS A WELL-FUNCTIONING, BALANCED TEAM LED BY THE CHAIR

Having considered commercial needs, Donald McAlister and Alexandra (Alex) Gorman were appointed to the Board as Non-Executive Directors. These appointments became effective on 6 June 2024. Donald McAlister has extensive experience of operating in Zimbabwe and raising funds. Alexandra Gorman has worked as a mining analyst and originally trained as a geologist and worked previously in Botswana. Alex has agreed to take on the full time executive role of Chief Operating Officer, expected to take effect in June 2025.

Brett Grist stepped down from the Board on 29 May 2024 and continued in his role within the Company as Chief Operating Office and Company Secretary until September 2024. Jeremy Brett stepped down from the Board on 27 May 2024 and continues to work in the capacity of consultant to the Company. In June 2024, Peter Wynter Bee assumed the role of Deputy Chairman.

Following these changes, the Board currently comprises a Non-Executive Chairman, two Executive Directors and three additional independent Non-Executive Directors. David Smith is the Non-Executive Chairman. During 2024 Deputy Chairman Peter Wynter Bee subscribed to a Convertible Loan Note in the Company as part of the Company's Cap-Ex Programme. In January 2025, following FCA approval of the prospectus, the loan notes were converted into 174,129,156 shares, resulting in a shareholding post the year end of 8.67%. The investment was carried out at arm's length and the Board considers that this does not affect Mr. Wynter Bee's independence as a Director.

The Directors seek to keep their skills up to date through continuing professional development and attending relevant courses. Directors from a technical discipline are encouraged to maintain professional accreditation.

The Board is working to improve balance between independence on the one hand, and knowledge of the Company and industry on the other, to enable it to discharge its duties and responsibilities effectively. All Directors are encouraged to use their independent judgement and to challenge all matters, whether strategic or operational, as they feel appropriate.

The Company Secretary provides support to the Board on further enhancing compliance with the QCA Code. On-boarding training is provided to newly appointed directors and there is a regular review of Company Policies and reporting.

Non-Executive Director Donald McAlister, has the role of Chair of the Audit and Risk Committee.

For the financial year 2024, the Board met bi-monthly, with additional meetings for specific items as required. The agenda is set by the Company Secretary in consultation with the Chairman and Chief Executive Officer. The standard agenda points include:

- Review of previous meeting minutes and actions arising therefrom;
- Reports by the Executive Directors covering operational and financial matters;
- Exploration updates; and
- Any other business including update of Register of Conflicts.

DIRECTORS' CONFLICT OF INTEREST

The Company has effective procedures in place to monitor and deal with conflicts of interest. The Board is aware of the other commitments and interests of its Directors, and changes to these commitments and interests are reported to and, where appropriate, agreed with the rest of the Board. A Register of Conflicts is maintained and is a standard agenda item at each Board meeting. The Directors have access to the Company's advisers, its broker, and its lawyers.

Board meetings are deemed quorate if two Board members are present, provided due notice of such meeting has been given to or waived by the non-attending Directors.

Directors and Officers Liability insurance is maintained for all Directors. Employer's Liability insurance is also in effect.

CORPORATE GOVERNANCE REPORT
CONTINUED

The table below sets out Directors' eligible to attend at Board meetings held during 2024:

Director	Position	Attendance
David Smith	Non Executive Chairman (Independent)	17/17
Peter Wynter Bee	Non-Executive Deputy Chairman	16/17
Ben Turney	Chief Executive Officer	13/17
Hillary Gumbo	Executive Director	12/17
Brett Grist	Chief Operating Officer (resigned 29/5/24)	5/5
Jeremy S. Brett	Executive Director (resigned 27/5/24)	0/5
Donald McAlister	Non-Executive Director (appointed 6/5/24)	9/11
Alexandra Gorman	Non-Executive Director (appointed 6/5/24)	5/11

6. ENSURE THAT BETWEEN THEM THE DIRECTORS HAVE THE NECESSARY UP TO DATE EXPERIENCE, SKILLS AND CAPABILITIES

The Board is satisfied that, between the Directors, it has an effective and appropriate balance of skills and experience, particularly so in the area of precious and base metal exploration and development. All Directors receive regular and timely information on the Company's operational and financial performance, circulated to the Directors in advance of meetings.

The appointments to the Board of Donald McAlister and Alexandra (Alex) Gorman were announced in May 2024 and their appointments as Non-Executive Directors took effect on 6 June 2024. Donald McAlister has led numerous successful financings of mining ventures and has significant experience working in Zimbabwe. Alex Gorman originally trained as a geologist, working in the Kalahari Copper Belt, Botswana.

All Directors have disclosed any significant commitments to the Board and confirmed that they have sufficient time to discharge their duties. The CEO works in excess of 40 hours per week for the Company, and the other Executive Directors regularly work between 10 and 40 hours per week on the Company's business. The Non-Executive Directors regularly spend up to 10 hours per week on the Company's business, and more when needed.

All Directors retire by rotation at regular intervals in accordance with the Company's Articles of Association.

The Directors' biographies can be found on pages 15 and 16 of this Report and on the Company's website (<https://www.kavangoresources.com/about-us/directors-management>).

In addition, the following Directors are also directors of the Company's subsidiaries: Hillary Gumbo is a Director of Kavango Minerals (Pty) Limited, Shongwe Resources (Pty) Limited, Kavango Zimbabwe (Private) Limited, and Kavango Mining Private Limited; Ben Turney is a Director of Kanye Resources (Pty) Limited, Kavango Zimbabwe (Private) Limited, Kavango Mining (Private) Limited, Ashmead Holdings (Private) Limited, and Icon Trading (Private) Limited.

POLICY FOR NEW APPOINTMENTS

Base salary levels will take into account market data for the relevant role, internal equity, the individual's experience, and their current base salary. Where an individual is recruited at below market norms, they may be re-aligned over time (e.g., two to three years), subject to performance in the role. Benefits are paid in accordance with the approved Remuneration Policy outlined in the Remuneration Report.

POLICY ON PAYMENT FOR LOSS OF OFFICE

Payment for loss of office would be determined by the Board, taking into account contractual obligations.

INDEPENDENT ADVICE

All Directors are able to take independent professional advice in the furtherance of their duties, if necessary, at the Company's expense from lawyers, brokers, and other professional advisors that they deem relevant. In addition, the Directors have direct access to the advice and services of the Company Secretary.

7. EVALUATE BOARD PERFORMANCE BASED ON CLEAR AND RELEVANT OBJECTIVES, SEEKING CONTINUOUS IMPROVEMENT

During the financial year ended 31 December 2024 the Board announced a restructuring of the board to meet the future commercial needs of the Company and is achieving measurement of progress relative to objectives.

A detailed strategy defined for the Company is used as a benchmark to measure the performance of the Company and team moving forwards. Progress reviews are held periodically to assess progress against key metrics.

8. PROMOTE A CORPORATE CULTURE THAT IS BASED ON ETHICAL VALUES AND BEHAVIOURS

The Board aims to lead by example and do what is in the best interests of the Company, the shareholders and the communities in which it operates. We operate in remote and under-developed areas and ensure our employees understand their obligations towards the environment and in respect of anti-bribery and corruption.

Regular calls attended with senior employees serve to refresh and re-iterate the Company's ethical standards as they apply to the operational issues that are discussed on that call.

CORPORATE GOVERNANCE REPORT CONTINUED

All employees are informed of responsibilities with regard to anti-bribery and corruption when they join the Company. Contracts with suppliers also reflect these requirements.

Employees are required to treat each other with respect and to not tolerate any form of discrimination. A formal grievance process is in place, ensuring that employees may voice concerns.

Further information on the corporate culture can be found under principle 3 above.

9. MAINTAIN STRUCTURES AND PROCESSES THAT ARE FIT FOR PURPOSE AND SUPPORT GOOD DECISION-MAKING BY THE BOARD

BOARD PROGRAMME

The Board meets every two months and holds additional ad hoc meetings as and when required. The Board sets direction for the Company through a formal schedule of matters reserved for its decision.

The Board and its Committees receive appropriate and timely information prior to each meeting; a formal agenda is produced for each meeting and Board and Committee papers are distributed by the Company Secretary. Any Director may challenge Company proposals and decisions are taken democratically after discussion. Any Director who feels that any concern remains unresolved after discussion may ask for that concern to be noted in the minutes of the meeting, which are then circulated to all Directors. Any specific actions arising from such meetings are agreed by the Board or relevant Committee and are tracked for action by the Company's management.

ROLES OF THE BOARD, CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Board is responsible for the long-term success of the Company and for the overall Company strategy. There is a formal schedule of matters reserved to the Board, including approval of exploration projects; approval of the annual and interim results; annual budgets; dividend policy; and Board structure. The Board also monitors the exposure to key business risks.

There is a clear division of responsibility at the head of the Company. The Chairman is responsible for running the business of the Board and for ensuring appropriate strategic focus and direction. The Chief Executive Officer is responsible for proposing the strategic focus to the Board, implementing it once it has been approved and overseeing the management of the Company. Together with the Chief Operating Officer and other senior employees, he is responsible for establishing and enforcing systems and controls, and liaison with external advisors. He has responsibility for communicating with shareholders, assisted by other senior employees.

All Directors receive regular and timely information on the Company's operational and financial performance. Relevant information is circulated to the Directors in

advance of meetings. The business reports monthly on its headline performance against its agreed budget, and the Board reviews the monthly update on performance and any significant variances are reviewed at each meeting. Senior executives below Board level are invited to attend Board meetings when deemed appropriate by the Chief Executive or Chairman, to present business updates.

BOARD COMMITTEES AND POLICIES

Audit and Risk Committee

The Audit and Risk Committee is chaired by Donald McAlister since his appointment in June 2024 and includes Peter Wynter Bee and David Smith. The Committee 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 Quoted Companies Alliance ("QCA") Code and the requirements of the Listing Rules.

Specific risks are set out in the Strategic Report on pages 17 to 23.

The Remuneration Committee

The Remuneration Committee is chaired by David Smith and includes Peter Wynter Bee.

Remuneration issues are presented for approval by the full Board, with any conflicted directors abstaining from decision-making as appropriate.

Key remuneration-related activities which occurred during the year included inflation-related increases for all directors, bonus payments for the CEO and COO and Company-wide pay proposals. At the last general meeting of the Company at which a resolution to approve the directors' remuneration report was passed in 2024, the percentage of votes cast was 99.04% for, 0.96% against and 0.001% withheld.

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

CORPORATE GOVERNANCE REPORT CONTINUED

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.

ANTI-BRIBERY AND CORRUPTION POLICY

The Company has adopted an Anti-Corruption and Bribery Policy. It applies to the Directors, all employees of the Group, contractors working for the Group and its suppliers. 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.

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 undertakes its mining and exploration activities in a manner that strives to minimise or eliminate negative impacts and maximise 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 Group, 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.

During drilling operations, the Company aims to limit any areas cut or cleared, and to restore these afterwards. Biodegradable drilling fluids are used, and any spills are recorded. The Company is keen to reduce its use of fossil

fuels and has installed solar power energy supplies for its exploration camp and offices in Zimbabwe.

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 its social and economic impacts; placing local people at the centre of development by helping to build their capacity to control their own development. The Company seeks to maximise local employment; all our Botswana based team are Botswana nationals, and in excess of 90% of our Zimbabwe team are Zimbabwean nationals. Community initiatives have included assistance to a rural school, benefiting female education of a disadvantaged community, and provision of computer hardware to a school and sponsorship of a local football team.

DIVERSITY AND INCLUSION POLICY

Purpose: Kavango Resources is committed to fostering a diverse and inclusive workplace that reflects the communities we operate in and the global nature of our business. This policy outlines our approach to diversity and inclusion, ensuring compliance with the UK Listing Rules and promoting equitable representation at all levels of the company.

Scope: This policy applies to all employees, contractors, board members, and executive management of Kavango Resources.

POLICY STATEMENT

1. Commitment to Diversity

- We aim to achieve and maintain diversity in our workforce, including gender, ethnicity, age, disability, sexual orientation, and cultural background.
- At least 40% of our board will be women, and one senior board position (Chair, CEO, CFO, or SID) will be held by a woman.
- At least one board member will be from a minority ethnic background, as defined by the Office for National Statistics (excluding White ethnic groups).

2. Recruitment and Promotion

- Recruitment processes will be designed to attract diverse candidates and eliminate bias.
- Promotion and career development opportunities will be accessible to all employees, ensuring equitable treatment.

3. Data Collection and Reporting

- We will collect and publish data on the gender identity and ethnic diversity of our board, senior board positions, and executive management annually.

CORPORATE GOVERNANCE REPORT CONTINUED

- Diversity targets will be disclosed in our annual financial report, along with explanations if targets are not met.

4. Training and Awareness

- Diversity and inclusion training will be mandatory for all employees and board members.
- Awareness campaigns will be conducted to foster an inclusive culture.

5. Accountability

- The Board of Directors will oversee the implementation of this policy and monitor progress against diversity targets.
- Regular reviews will be conducted to ensure compliance with the UK Listing Rules and adapt to evolving best practices.
- Review and Updates: This policy will be reviewed annually to ensure its effectiveness and alignment with regulatory requirements.

10. COMMUNICATE HOW THE COMPANY IS GOVERNED AND IS PERFORMING BY MAINTAINING A DIALOGUE WITH SHAREHOLDERS AND OTHER RELEVANT STAKEHOLDERS

The Company communicates with shareholders through the Annual Report and Accounts, full-year, and half-year results announcements, the (AGM) and one-to-one meetings with large existing or potential new shareholders. The Company regularly posts LSE announcements covering operational and corporate matters, such as drilling results and significant changes in ownership positions across projects that it acquires or divests. A range of corporate information (including all Company announcements and a corporate presentation) is also available to shareholders, investors and the public on the Company's corporate website, <https://www.kavangoresources.com/> and also on its X (formerly known as Twitter) feed @KAV.

The Board maintains that, if there is a resolution passed at a general meeting with 20% votes cast against, the Company will seek to understand the reason for the result and, where appropriate, take suitable action. Notices of general meetings can be found here: <https://www.kavangoresources.com/investor-relations/notices>. All 2024 AGM resolutions were passed comfortably. The votes on all resolutions were taken on a show of hands and the proxy votes announced, to ensure that full shareholder representation was reflected.

The Board receives regular updates on the views of shareholders through briefings and reports from investor relations advisors, the CEO, Directors, and the Company's broker. The Company communicates with institutional investors frequently through briefings with management. In addition, analysts' notes and brokers'

briefings are reviewed to achieve a wide understanding of investors' views.

The items included in this report are unaudited unless otherwise stated.

STATEMENT OF POLICY ON DIRECTORS' REMUNERATION

At the AGM in 2021, the shareholders of the Company adopted a formal remuneration policy as laid out in the 2020 Annual Report and summarised below.

The Company's policy is to maintain levels of remuneration so as to attract, motivate, and retain Directors and Senior Executives of the highest calibre who can contribute their experience to deliver industry-leading performance with the Company's operations. The Company is nonetheless mindful of the need to balance this objective with the fact that it is in the pre-development/development stage. The Board and senior members of staff continue largely to be remunerated through a combination of modest salaries or fees, and the grant of share options, and as a result the total salaries and fees payable to directors have been unusually modest. As the Company continues to grow it has developed a more long-term and sustainable policy, which continues to align the interests of directors and senior staff with those of shareholders while recognising that new hires will not initially have a significant equity position. Accordingly, it is likely that compensation packages for Executive Directors in particular will need to move over time to a level more consistent with the market. As the scale of the Company's operations grow it is also likely that executive remuneration will need to rise to a level comparable with that of other international companies in our industry, and to reflect requirements to relocate to local jurisdictions from time to time.

Currently Directors' remuneration is not subject to specific performance targets. The Company is sufficiently small that the Remuneration Committee does not consider it is necessary to impose such targets as a matter of principle but believes that exceptional performance can be rewarded on an *ad hoc* basis. The Board has not adopted a specific policy with regard to share option grants; nonetheless the use of share options will continue to be an important part of the compensation packages both for Executive and Non-Executive Directors, particularly until such time as the Company is generating cash from operations.

During the reporting period the Board considered the remuneration of Directors and senior staff and their employment terms and made recommendations on the overall remuneration packages. The Remuneration Committee considers the remuneration of directors and senior staff, in alignment with the Company's policy and makes recommendations to the Board. No Director takes part in any decision directly affecting their own remuneration.

GOVERNANCE

CORPORATE GOVERNANCE REPORT CONTINUED

Overall, Directors' emoluments decreased by 12% from 2023 to 2024, as a result of Jeremy Brett and Brett Grist stepping down as Directors during the year. However, average Directors' emoluments increased by 14% as a result of inflation-related increases for Directors across the Group and bonus payments for the CEO and COO. In addition, the CEO's emoluments has increased by 34%. The average increase for all employees across the Group was 15%. At the last general meeting of the Company at which a resolution to approve the directors' remuneration report was passed in 2024, the percentage of votes cast was 99.04% for, 0.96% against and 0.001% withheld. The directors acknowledge and are mindful of their responsibilities regarding the remuneration of directors. The Directors are committed to ensuring that remuneration practices align with the interests of shareholders, suppliers and others, and reflect the performance and contributions of the Directors. The Board regularly reviews the remuneration framework to ensure it remains competitive and fair.

DIRECTORS' REMUNERATION REPORT

DIRECTORS' REMUNERATION

The Directors who held office during the year and their appointment dates are listed in the Directors' Report on page 25

DIRECTORS' SERVICE CONTRACTS

All Directors have rolling service contracts with the Company which have notice periods of no more than 12 months on either side. Contracts are available for inspection at the Company's Registered offices.

REMUNERATION COMPONENTS

The fees offered to Directors for the year ended 31 December 2024 consisted of a mix of:

- Salaries and fees;
- Ad hoc bonus payments; and
- Share incentive arrangements.

DIRECTORS' EMOLUMENTS AND COMPENSATION (AUDITED)

Set out below are the emoluments of the Directors for the year ended 31 December 2024:

	Year to 31 December 2024							
	Salary/ fees \$	Taxable benefits \$	Other items in nature of remuneration (incl. annual bonus) \$	Long- term incentive awards \$	Pension related benefits \$	Total \$	Total Fixed Remuneration \$	Total Variable Remuneration \$
Ben Turney	192,271	-	64,090	-	-	256,361	192,271	64,090
David Smith	59,103	-	-	-	-	59,103	59,103	-
Hillary Gumbo	63,381	-	-	-	-	63,381	63,381	-
Brett Grist	99,737	-	12,818	-	2,992	115,547	102,729	12,818
Peter Wynter Bee	32,209	-	-	-	-	32,209	32,209	-
Jeremy S. Brett	6,258	-	-	-	-	6,258	6,258	-
Donald McAlister	18,210	-	-	-	-	18,210	18,210	-
Alex Gorman	18,210.	-	-	-	-	18,210	18,210	-

For comparison the emoluments of the Directors who served during the year ended 31 December 2023 are set out below:

	Year to 31 December 2023 (restated*))							
	Salary \$	Taxable benefits. \$	Other items in nature of remuneration (incl. annual bonus) \$	Long- term incentive awards \$	Pension related benefits \$	Total \$	Total Fixed Remuneration \$	Total Variable Remuneration \$
Ben Turney	126,467	-	63,662	-	-	190,129	126,467	63,662
David Smith	56,206	-	-	-	-	56,206	56,206	-
Hillary Gumbo	76,496	-	-	-	-	76,496	76,496	-
Brett Grist	126,467	-	12,732	-	2,626	141,825	129,092	12,732
Peter Wynter Bee	30,631	-	-	-	-	30,631	30,631	-
Jeremy S. Brett	158,281	-	-	-	-	158,281	158,281	-

* The comparative balances for the year-ended 31 December 2023 have been restated to correct for an overstatement of the share based payment charge attributable to Directors and to include remuneration of directors received from subsidiaries.

DIRECTORS' REMUNERATION REPORT CONTINUED

OTHER ITEMS (AUDITED)

Ben Turney and Brett Grist were awarded bonuses in the period in recognition of their efforts in moving the Company forward. As a result, an element of remuneration was variable however, the majority was fixed as per the above table.

TOTAL PENSION ENTITLEMENTS (AUDITED)

During the year ended 31 December 2024, the Company continued to make payments into a money purchase pension scheme for Brett Grist whilst he remained an employee of the Company. The Company did not make pension contributions for any of the other Directors and did not pay pension amounts in relation to their remuneration.

The Company has not paid out any excess retirement benefits to any Directors or past Directors.

PAYMENTS TO PAST DIRECTORS AND FOR LOSS OF OFFICE (AUDITED)

The Company has not paid any compensation to past Directors for loss of office during the year.

DIRECTORS' INTERESTS IN SHARE OPTIONS AS AT 1 JANUARY 2024 (AUDITED)

The Directors' interests in share options at the beginning of the financial year or, if later, on the date of the appointment of the person as a director of the company, are presented in the table below.

Director	Interest type	Date of Grant	Exercise price	Number	Subject to performance measures?	Vesting date	Expiry date
Hillary Gumbo	Option	06/11/2018	£0.025	2,400,000	No	06/11/2018	04/11/2028
	Option	01/05/2019	£0.025	280,000	No	01/05/2019	01/05/2029
	Option	01/05/2019	£0.028	500,000	No	01/05/2019	01/05/2029
	Option	05/05/2020	£0.008	500,000	No	05/05/2020	05/05/2030
	Option	10/08/2021	£0.075	1,000,000	Exercisable only once the Company's share price has closed at not less than 15 pence on five trading days	50% vest no earlier than 12 months from grant and 50% vest no earlier than 24 months from grant	10/08/2028
	Option	15/3/2023	£0.03	2,820,000	Exercisable only once the Company's share price has closed at not less than 6 pence on five trading days	31/10/2023	20/01/2030
	Option	17/11/2023	£0.011	1,500,000	No	17/11/2023	17/11/2030
Ben Turney	Option	09/02/2021	£0.033	2,000,000	No	50% vest no earlier than 12 months from grant and 50% vest no earlier than 24 months from grant	09/02/2031
	Option	10/08/2021	£0.075	4,500,000	Exercisable only once the Company's share price has closed at not less than 15 pence on five trading days	50% vest no earlier than 12 months from grant and 50% vest no earlier than 24 months from grant	10/08/2028
	Option	15/03/2023	£0.03	5,000,000	Exercisable only once the Company's share price has closed at not less than 6 pence on five trading days	15/03/2023	20/01/2030

DIRECTORS' REMUNERATION REPORT CONTINUED

Director	Interest type	Date of Grant	Exercise price	Number	Subject to performance measures?	Vesting date	Expiry date
Ben Turney (continued)	Option	15/03/2023	£0.03	5,000,000	Exercisable only once the Company's share price has closed at not less than 6 pence on five trading days	31/10/2023	20/01/2030
	Option	17/11/2023	£0.011	40,000,000	No	17/11/2023	17/11/2030
David Smith	Option	09/02/2021	£0.033	1,500,000	No	50% vest no earlier than 12 months from grant and 50% vest no earlier than 24 months from grant	09/02/2031
	Option	15/03/2023	£0.03	2,000,000	Exercisable only once the Company's share price has closed at not less than 6 pence on five trading days	31/10/2023	20/01/2030
	Option	17/11/2023	£0.011	1,500,000	No	17/11/2023	17/11/2030
Jeremy S. Brett	Option	04/01/2022	£0.03	3,000,000	No	31/10/2023	01/12/2028
	Option	15/03/2023	£0.03	3,500,000	Exercisable only once the Company's share price has closed at not less than 6 pence on five trading days	31/10/2023	20/01/2030
	Option	17/11/2023	£0.011	2,500,000	No	17/11/2023	17/11/2030
Peter Wynter Bee	Option	15/03/2023	£0.03	2,000,000	Exercisable only once the Company's share price has closed at not less than 6 pence on five trading days	31/10/2023	20/01/2030
Brett Grist	Option	15/03/2023	£0.03	6,000,000	Exercisable only once the Company's share price has closed at not less than 6 pence on five trading days	31/10/2023	20/01/2030
	Option	17/11/2023	£0.011	2,500,000	No	17/11/2023	17/11/2030

SHARE SCHEME INTERESTS AWARDED DURING THE YEAR (AUDITED)

No new share options were awarded to Directors during the year ended 31 December 2024. No share options were exercised by Directors during the year.

DIRECTORS' INTERESTS IN THE SHARE CAPITAL OF THE COMPANY:

The table below shows the Directors interests in shares and warrants, including those held by connected persons, as at year end.

Although there are no shareholding guidelines for Non-Executive Directors, they are each encouraged to hold shares in the Company. The Company believes this provides alignment with the interests of other shareholders and that it does not affect their independence.

DIRECTORS' REMUNERATION REPORT CONTINUED

Name of Director	Number of ordinary shares held 31 December 2024	Number of ordinary shares held 1 January 2024	Number of warrants held 31 December 2024	Number of warrants held 1 January 2024
Ben Turney	17,220,551	15,220,551	–	–
Hillary Gumbo	16,520,137	16,520,137	–	–
David Smith	173,939	173,939	–	–
Brett Grist	2,273,424	2,273,424	–	–
Jeremy S. Brett	–	–	–	–
Peter Wynter Bee ¹	88,218,182	71,468,182	5,000,000	5,000,000
Alex Gorman	–	–	–	–
Donald McAlister	725,664	325,664	–	–

¹ Including holdings by Wynter Bee Resources Limited

CONSIDERATION OF EMPLOYMENT CONDITIONS ELSEWHERE IN THE GROUP

The Directors have not consulted with employees about executive pay but consider that the current remuneration of Executive Directors is consistent with pay and employment benefits across the wider Group.

UK 10-YEAR PERFORMANCE GRAPH

The Directors have considered the requirement for a UK 10-year performance graph comparing the Group's Total Shareholder Return with that of a comparable indicator. The Directors do not currently consider that including the graph will be meaningful because the Company is not paying dividends and is currently incurring losses. In addition, and as mentioned above, the remuneration of Directors is not currently directly linked to share price performance, and therefore the inclusion of this graph is not considered to be useful to shareholders at the current time. The Directors will review the inclusion of this table for future reports.

UK 10-YEAR CEO TABLE AND UK PERCENTAGE CHANGE TABLE

The Directors have considered the requirement for a UK 10-year CEO table and UK percentage change table. The Directors do not currently consider that including these tables would be meaningful as remuneration is not currently linked to share price performance, therefore any comparison across years or with the employee group would be significantly skewed and would not add any information of value to shareholders. The Directors will review the inclusion of this table for future reports.

RELATIVE IMPORTANCE OF SPEND ON PAY

The Directors have considered the requirement to present information on the relative importance of spend on pay compared to shareholder dividends paid. Given that the Company does not currently pay dividends the Directors have not considered it necessary to include such information.

BOARD DIVERSITY

One individual (16.6%) on the board of Kavango Resources is from a minority ethnic background. The board of Kavango does not meet the target on female board members – 16.6% of the board (1/6) is female – and none of the prescribed senior positions on its board of directors are held by a woman.

OTHER MATTERS

The Company does not currently have any annual or long-term incentive schemes in place for any of the Directors, other than the share options disclosed above and as such there are no additional disclosures in this respect.

Approved by the Board on 25 April 2024.

David Smith
Chairman

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report, Strategic Report, Directors' Report, Governance Report and Directors' Remuneration Report along with the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with UK-adopted International Accounting Standards and in conformity with the Companies Act 2006.

Under Company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that year. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies with on the Main Market.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the accounts and the other information included in annual reports may differ from legislation in other jurisdictions.

DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO DISCLOSURE AND TRANSPARENCY RULES

Each of the Directors, whose names and functions are listed on pages 15 to 16, confirm that to the best of their knowledge and belief:

- the financial statements prepared in accordance with UK-adopted International Accounting Standards and in conformity with the Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and loss of the Company and Group; and
- the Annual Report and financial statements, including the Strategic Report, include a fair review of the development and performance of the business and the position of the Company and Group, together with a description of the principal risks and uncertainties that they face.

This responsibility statement was approved by the Board of Directors on 25 April 2025 and is signed on its behalf by;

Matthew Benjamin Turney
Director

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KAVANGO RESOURCES PLC FOR THE YEAR ENDED 31 DECEMBER 2024

OPINION

We have audited the financial statements of Kavango Resources Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2024 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- Challenging the director's forecasts prepared to assess the group's and parent company's ability to meet its financial obligations as they fall due for a period of at least 12 months from the date of approval of the financial statements. We have assessed the reasonableness of the forecasts based on comparing them to previous years, current year management accounts and supporting evidence;
- Performing a look back analysis to evaluate historical accuracy of previous budgets;
- Vouching available funds at the year end, reviewing the post year end fund raise and checking the Company's cash position at 31 March 2025; and
- Critically assessing the disclosure made within the financial statements for consistency with management's assessment of going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

OUR APPLICATION OF MATERIALITY

Overall group materiality 2024	Overall group materiality 2023	Basis for overall group materiality
US\$380,000	US\$395,000	2% of gross assets (2023: 2% of gross assets)

We applied the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. At the planning stage, materiality is used to determine the financial statement areas that are included within the scope of our audit and the extent of sample sizes during the audit.

Our calculated level of overall materiality has decreased from the previous year. This is predominantly due to the decrease in asset balances as a result of exploration assets impaired in the year. We do not consider the

INDEPENDENT AUDITOR'S REPORT CONTINUED

inherent risks to have increased and therefore consider materiality based on 2% of gross assets remains appropriate.

We consider gross assets to be the most significant determinant of the group's financial position and performance used by shareholders, with the key financial statement balances being intangible exploration and evaluation assets and cash and cash equivalents. The going concern of the group is dependent on its ability to fund operations going forward, as well as on the valuation of its assets, which represent the underlying value of the group.

The group was audited to a level of overall materiality of US\$380,000 (2023: US\$395,000), the parent company overall materiality was set at US\$379,000 (2023: US\$394,999) with performance materiality set at US\$228,000 (2023: US\$237,000) for the group and US\$220,000 (2023: US\$236,999) for the parent company, being 60% (2023: 60%) of materiality of the group and parent company financial statements as a whole. The performance materiality is based on our assessment of the relevant risk factors, including previous experience of misstatements, management's attitude towards proposed adjustments, and the level of estimation inherent within the group and parent company.

We agreed with the Audit Committee that we would report to the committee all audit differences identified during the course of our audit in excess of our triviality level of US\$19,000 (2023: US\$19,750) for the group and US\$19,000 (2023: US\$19,749) for the parent company as well as differences below that threshold that we believe warranted reporting on qualitative grounds.

OUR APPROACH TO THE AUDIT

In designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements. In particular, we considered the areas involving significant accounting estimates and judgements by the directors, and including future events that are inherently uncertain, in particular the carrying value of intangible assets and the carrying value of investments in subsidiaries and recoverability of intercompany receivables (parent company only). We also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias by the directors that represented a risk of material misstatement due to

fraud. Procedures were then performed to address the risks identified and for the most significant assessed risks of material misstatement, the procedures performed are outlined below in the Key audit matters section of this report.

An audit was performed on the financial information of the group's material operating components which, for the year ended 31 December 2024, were located in the United Kingdom, Botswana and Zimbabwe, with the group's accounting functions being based in the UK and Botswana.

The Botswanan and Zimbabwean components were audited by component auditors operating under our instruction. The audits were performed both for consolidation purposes as well as local statutory purposes. There was regular interaction with the component auditors during all stages of the audit, and we were responsible for the scope and direction of the audit process.

Component performance materiality applied ranged between US\$170,000 and US\$70,000 (2023: US\$176,401 and US\$60,600) with component misstatement reporting threshold between US\$17,000 and US\$7,000 respectively (2023: US\$14,700 and US\$5,050).

We obtained and reviewed remotely the key audit working papers prepared by the auditors of the Botswanan and Zimbabwean components, which related to the work performed on the significant risks identified at group level. The component auditors provided their findings to us which were reviewed and challenged accordingly.

The approach detailed above gave us sufficient appropriate evidence for our opinion on the group financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT CONTINUED

Key Audit Matter	How our scope addressed this matter
Classification and carrying value of Intangible Assets – Note 13	
<p>The Group has material intangible assets in relation to capitalised exploration and evaluation costs in respect of its Botswanan assets totalling \$14.1m as at 31 December 2024 (2023: \$14.6m).</p> <p>The exploration projects are at an early stage of development and value in use cannot be reliably estimated given the stage of a risk that the carrying value of these assets have not been correctly measured in accordance with IFRS 6 <i>Exploration and Evaluation of Mineral Resources</i> if impairment indicators are not appropriately identified and an impairment recorded.</p> <p>There is also the risk that additions to intangible assets during the year have been inappropriately capitalised and not in accordance with the Group's accounting policy or IFRS 6.</p> <p>This risk is considered a key audit matter given the material balance at year end and high level of judgement and estimation required to assess the valuation of these assets each year.</p>	<p>Our work in this area included:</p> <ul style="list-style-type: none"> • Confirmation that the Group has good title to the applicable exploration licences; • A critical review of management's impairment indicator assessment paper and challenging key assumptions therein, as well as undertaking our own assessment on a project-by-project basis using the impairment indicators within IFRS 6; • For legal rights that are due to expire within the going concern period, challenging management on whether there are any events and circumstances that would cause the renewal of such legal rights to be denied and ensure that these legal rights are considered when assessing indicators of impairment. • A review of component auditor's work in respect of costs capitalised during the year under review, including the considerations made in respect of their appropriateness for capitalisation in accordance with the Group's accounting policy and IFRS 6 recognition criteria; and • Ensuring disclosures made in the financial statements in relation to critical accounting judgements are adequate and in line with our understanding of the group and its activities. <p>The directors made the strategic decision to reduce the licence area within the KSZ region in Botswana. This action was taken to enable a more targeted and efficient exploration programme concentrated on the remaining licences. Consequently, the accumulated exploration expenditure associated with the 10 licences that have been assessed as no longer holding prospects for further exploration has been fully written off. As a result, an impairment charge amounting to US\$ 2,737,000 has been recognised in profit or loss.</p> <p>We consider the judgements and estimates applied to be reasonable and management's assessment of the classification and carrying value of intangible assets to be appropriate.</p>
Carrying value of the investments in subsidiaries and recoverability of intercompany receivables (Company only) – Note 17	
<p>Investments in subsidiaries and intercompany loans are significant assets in the Company's accounts, totalling \$24.1m as at 31 December 2024 (2023: \$16.9m). Given the continuing losses there is a risk that the investments in subsidiaries and intercompany loans may not be fully recoverable.</p> <p>This risk is considered a key audit matter given that management judgement is required in determining the recoverable value of these investments and intercompany receivables which is linked to the future success of exploration activities and profitability of the subsidiaries</p>	<p>Our work in this area included:</p> <ul style="list-style-type: none"> • Obtaining confirmation of ownership of the investments; • Assessing the recoverability of the investments and intercompany receivables by reference to the underlying subsidiaries exploration projects in conjunction with the review of indicators of impairment in respect of those projects as set out above. • Undertaking a review of the impairment assessment for investments/intercompany receivables prepared by management and challenging key inputs and estimates included therein; and • Ensuring disclosures made in the financial statements in relation to critical accounting judgements are adequate. <p>Based on the procedures performed, we consider management's assessment of the carrying value of investments in subsidiaries and recoverability of intercompany receivables to be reasonable.</p>

INDEPENDENT AUDITOR'S REPORT CONTINUED

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group and parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or

- the parent company financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the group and parent company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent company financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry

INDEPENDENT AUDITOR'S REPORT CONTINUED

research, application of cumulative audit knowledge and experience of the sector.

- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from:
 - Listing Rules
 - Companies Act 2006
 - The Bribery Act 2010
 - Anti-Money Laundering Legislation
 - Disclosure rules and Transparency rules for listed entities
 - Local industry regulations in Botswana and Zimbabwe where exploration activity took place
 - UK, Botswana and Zimbabwe tax and employment laws
 - Financial Services and Markets Act 2000
 - Botswana Companies Act 2003
 - Botswana Mines & Minerals Act 1999
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to:
 - Making enquiries of management;
 - Reviewing board minutes;
 - Reviewing legal and professional fees ledger accounts for evidence of any litigation or claims against the group;
 - Reviewing Regulatory News Service (RNS) announcements; and
 - Reviewing the group's related party transactions and disclosures.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the potential for management bias was identified in relation to the classification and carrying value of intangible assets and the carrying value of investments in subsidiary and recoverability of intercompany receivables (parent company only) as described in the Key audit matters section of this report above.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal

course of business. Aside from the non-rebuttable presumption of a risk of fraud arising from management override of controls, we did not identify any significant fraud risks.

- We communicated with component auditors throughout the audit process and performed the following in respect of matters of non-compliance with laws and regulations including fraud at the group and component levels:
 - Making enquiries of component auditors;
 - Reviewing correspondences with authorities;
 - Reviewing general ledger account details of legal expenses; and
 - Reviewing component auditors' work in these areas and obtaining their confirmations with respect to any noted instances of non-compliance with laws and regulations, including fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

OTHER MATTERS WHICH WE ARE REQUIRED TO ADDRESS

We were appointed by the Board of Directors on 20 March 2018 to audit the financial statements for the period ending 31 December 2017 and subsequent financial periods. Our total uninterrupted period of engagement is 8 years, covering the periods ending 31 December 2017 to 31 December 2024.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

INDEPENDENT AUDITOR'S REPORT CONTINUED

USE OF OUR REPORT

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Daniel Hutson

(Senior Statutory Auditor)

For and on behalf of PKF Littlejohn LLP

Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

25 April 2025

FINANCIAL STATEMENTS



Core scanning

CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	31 Dec 2024 US\$'000	31 Dec 2023 US\$'000
Continuing operations			
Revenue		445	-
Cost of sales		(484)	-
Gross loss		(39)	-
Administrative expenses		(1,863)	(2,063)
Pre-licence exploration costs	7	(3,977)	(1,153)
Impairment of exploration assets	13	(2,737)	-
Other gains/(losses) – gain/(loss) on fair value of financial assets		42	(77)
Loss from operating activities		(8,574)	(3,293)
Finance income	5	31	-
Finance expense	6	(119)	-
Loss before taxation	8	(8,662)	(3,293)
Taxation	10	-	-
Loss for the year attributable to owners of the parent		(8,662)	(3,293)
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss:			
Currency translation differences		(219)	676
Foreign exchange loss on liquidation of subsidiary		-	(7)
Other comprehensive (loss)/income, net of tax		(219)	669
Total comprehensive loss for the year attributable to owners of the parent		(8,881)	(2,624)
Earnings per share from continuing operations attributable to owners of the parent:			
Basic and diluted loss per share (cents)	11	(0.59)	(0.45)

The notes of page 58 to 81 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Notes	31 Dec 2024 US\$'000	31 Dec 2023 US\$'000
ASSETS			
Non-current assets			
Property, plant, and equipment	12	940	352
Intangible assets	13	14,071	14,586
Total non-current assets		15,011	14,938
Current assets			
Inventories		103	-
Trade and other receivables	18	1,801	928
Loan receivables	15	571	-
Financial assets at fair value through profit or loss	16	418	378
Cash and cash equivalents	19	1,105	3,393
Total current assets		3,998	4,699
TOTAL ASSETS		19,009	19,637
Liabilities			
Current liabilities			
Trade and other payables	20	712	1,284
Convertible loan notes	21	4,763	-
Total current liabilities		5,475	1,284
TOTAL LIABILITIES		5,475	1,284
NET ASSETS		13,534	18,353
EQUITY			
Share capital	22	1,989	1,663
Share premium	22	29,338	25,789
Share option reserve	23	1,860	1,673
Warrant reserve	24	465	609
Foreign exchange reserve		(569)	(350)
Reorganisation reserve		(1,591)	(1,591)
Accumulated losses		(18,144)	(9,626)
Equity attributable to owners of the company		13,348	18,167
Non-controlling interests	25	186	186
TOTAL EQUITY		13,534	18,353

The notes of page 58 to 81 form part of these financial statements.

The consolidated financial statements of Kavango Resources Plc, company registered number 10796849, were approved by the board, and authorised for issue on 25 April 2025 and signed on its behalf by:

Matthew Benjamin Turney
Director

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Notes	31 Dec 2024 US\$'000	31 Dec 2023 US\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	2	-
Investment in subsidiaries	17	24,108	16,856
Total non-current assets		24,110	16,856
Current assets			
Trade and other receivables	18	1,152	759
Loan receivables	15	571	-
Financial assets at fair value through profit or loss	16	418	378
Cash and cash equivalents	19	580	3,205
Total current assets		2,721	4,342
TOTAL ASSETS		26,831	21,198
LIABILITIES			
Current liabilities			
Trade and other payables	20	354	1,065
Convertible loan notes	21	4,763	-
TOTAL LIABILITIES		5,117	1,065
NET ASSETS		21,714	20,133
EQUITY			
Share capital	22	1,989	1,663
Share premium	22	29,338	25,789
Share option reserve	23	1,860	1,673
Warrant reserve	24	465	609
Foreign exchange reserve		(474)	(140)
Accumulated losses		(11,464)	(9,461)
TOTAL EQUITY		21,714	20,133

The notes of page 58 to 81 form part of these financial statements.

Under s408 of the Companies Act 2006, the Company is exempt from the requirement to present its own statement of comprehensive income. The loss after tax for the year ended 31 December 2024 was US\$ 2,147,000 (2023: US\$ 3,205,000).

The financial statements of Kavango Resources Plc, company registered number 10796849, were approved by the Board, and authorised for issue on 25 April 2025 and signed on its behalf by

Matthew Benjamin Turney
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Equity attributable to owners of the company									
	Share capital US\$'000	Share premium US\$'000	Share Reorganisation reserve US\$'000	Share option reserve US\$'000	Warrant reserve US\$'000	Foreign exchange reserve US\$'000	Accumulated losses US\$'000	Shares to be issued US\$'000	Total US\$'000	Non-controlling interests US\$'000
As at 31 December 2022	904	19,296	(1,591)	913	650	(1,019)	(6,464)	7	12,696	-
Loss for the year	-	-	-	-	-	-	(3,293)	-	(3,293)	-
Other comprehensive loss for the year:										
Foreign currency exchange difference	-	-	-	-	-	669	-	-	669	669
Total comprehensive loss for the year	-	-	-	-	-	669	(3,293)	-	(2,624)	-
Warrants issued	-	(90)	-	-	90	-	-	-	-	-
Warrants lapsed	-	-	-	-	(131)	-	131	-	-	-
Issue of ordinary shares	759	6,838	-	-	-	-	-	-	7,597	7,597
Costs of share issues	-	(255)	-	-	-	-	-	-	(255)	(255)
Share-based payments – expensed	-	-	-	760	-	-	-	(7)	753	753
Non-controlling interest on acquisition of subsidiary (note 25)	-	-	-	-	-	-	-	-	-	186
Total transactions with owners	759	6,493	-	760	(41)	-	131	(7)	8,095	186
As at 31 December 2023	1,663	25,789	(1,591)	1,673	609	(350)	(9,626)	-	18,167	186
Loss for the year	-	-	-	-	-	-	(8,662)	-	(8,662)	-
Other comprehensive loss for the year:										
Foreign currency exchange difference	-	-	-	-	-	(219)	-	-	(219)	(219)
Total comprehensive loss for the year	-	-	-	-	-	(219)	(8,662)	-	(8,881)	-
Warrants lapsed	-	-	-	-	(144)	-	144	-	-	-
Issue of ordinary shares	326	3,584	-	-	-	-	-	-	3,910	3,910
Costs of share issues	-	(35)	-	-	-	-	-	-	(35)	(35)
Share-based payments – expensed	-	-	-	187	-	-	-	-	187	187
Total transactions with owners	326	3,549	-	187	(144)	-	144	-	4,062	-
As at 31 December 2024	1,989	29,338	(1,591)	1,860	465	(569)	(18,144)	-	13,348	186

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
CONTINUED**

Share Capital:	Amount subscribed for share capital at nominal value
Share Premium:	Amount subscribed for share capital in excess of nominal value
Reorganisation Reserve:	Reserve created on issue of shares on acquisition of subsidiaries
Foreign Exchange Reserve	Cumulative translation differences
Accumulated Losses: income	Cumulative net gains and losses recognised in the consolidated statement of comprehensive income
Share Option Reserve:	Cumulative fair value of the charge for share options outstanding
Shares to be issued:	Amount of shares the Company has committed to issue
Warrant Reserve:	Cumulative fair value charge over the vesting period of warrants outstanding
The notes of page 58 to 81 form part of these financial statements.	

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Share Capital US\$'000	Share Premium US\$'000	Share Option Reserve US\$'000	Warrant Reserve US\$'000	Foreign Exchange Reserve US\$'000	Accumulated losses US\$'000	Shares to be issued US\$'000	Total US\$'000
As at 31 December 2022	904	19,296	913	650	(885)	(6,387)	7	14,498
Loss for the year	-	-	-	-	-	(3,205)	-	(3,205)
Other comprehensive loss for the year:								
Foreign currency exchange difference	-	-	-	-	745	-	-	745
Total comprehensive loss for the year	-	-	-	-	745	(3,205)	-	(2,460)
Warrants issued	-	(90)	-	90	-	-	-	-
Issue of ordinary shares	-	-	-	(131)	-	131	-	-
Costs of share issues	759	6,838	-	-	-	-	-	7,597
Share-based payments – expensed	-	(255)	-	-	-	-	-	(255)
Share-based payments – capitalised	-	-	760	-	-	-	(7)	753
Total transactions with owners	759	6,493	760	(41)	-	131	(7)	8,095
As at 31 December 2023	1,663	25,789	1,673	609	(140)	(9,461)	-	20,133
Loss for the year	-	-	-	-	-	(2,147)	-	(2,147)
Other comprehensive loss for the year:								
Foreign currency exchange difference	-	-	-	-	(334)	-	-	(334)
Total comprehensive loss for the year	-	-	-	-	(334)	(2,147)	-	(2,481)
Warrant lapsed	-	-	-	(144)	-	144	-	-
Issue of ordinary shares	326	3,584	-	-	-	-	-	3,910
Costs of share issues	-	(35)	-	-	-	-	-	(35)
Share-based payments – expensed	-	-	187	-	-	-	-	187
Total transactions with owners	326	3,549	187	(144)	-	144	-	4,062
As at 31 December 2024	1,989	29,338	1,860	465	(474)	(11,464)	-	21,714

FINANCIAL STATEMENTS

COMPANY STATEMENT OF CHANGES IN EQUITY CONTINUED

Share Capital:	Amount subscribed for share capital at nominal value
Share Premium:	Amount subscribed for share capital in excess of nominal value
Foreign Exchange Reserve:	Cumulative translation differences
Accumulated Losses:	Cumulative net gains and losses recognised in the Company statement of comprehensive income
Share Option Reserve:	Cumulative fair value of the charge for share options outstanding
Shares to be issued:	Amount of shares the Company has committed to issue
Warrant Reserve:	Cumulative fair value charge over the vesting period of warrants outstanding

The notes of page 58 to 81 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	31 Dec 2024 US\$'000	31 Dec 2023 US\$'000
Cash flows from operating activities			
Loss before taxation		(8,662)	(3,293)
Adjustments for:			
Impairment of exploration assets	13	2,737	-
Depreciation		144	12
Share option expense	23	187	753
Expected credit loss allowance on amounts due from shareholder		347	
Fair value adjustments	16	(47)	77
Finance income	5	(31)	-
Finance expense	6	119	-
Exchange gain on liquidation of subsidiary		-	(7)
Net cash used in operating activities before changes in working capital		(5,206)	(2,458)
(Increase)/decrease in trade and other receivables		(571)	204
Increase/(decrease) in trade and other payables		109	(28)
Increase in inventories		(103)	-
Net cash used in operating activities		(5,771)	(2,282)
Cash flows from investing activities			
Payments for property, plant and equipment		(794)	(259)
Loans advanced to third parties	15	(628)	-
Loans repaid from third parties	15	70	-
Payments for intangible assets	13	(2,299)	(3,315)
Payments for intangible assets (deferred consideration)	14	(678)	-
Payment for Hillside Project acquisition held in escrow	18	(650)	-
Payments for financial assets at fair value through profit or loss		-	(445)
Bank interest received		18	-
Net cash used in investing activities		(4,961)	(4,019)
Cash flows from financing activities			
Proceeds from issue of share capital	22	3,910	7,597
Share issue costs	22	(35)	(255)
Proceeds from issue of convertible loan notes	21	4,644	-
Net cash generated from financing activities		8,519	7,342
Net (decrease)/increase in cash and cash equivalents		(2,213)	1,041
Cash and cash equivalents at beginning of year		3,393	2,265
Effects of exchange rates on cash and cash equivalents		(75)	87
Cash and cash equivalents at end of year		1,105	3,393

Note 16 discloses significant non-cash transactions in relation to the Group's investing activities.

The notes of page 58 to 81 form part of these financial statements.

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	31 Dec 2024 US\$'000	31 Dec 2023 US\$'000
Cash flows from operating activities			
Loss before taxation		(2,147)	(3,205)
Adjustments for:			
Share based payment expense	23	187	753
Impairment of subsidiaries		118	641
Expected credit loss allowance on amounts due from shareholder	22	347	-
Fair value adjustments		(47)	77
Finance income	5	(31)	-
Finance expense	6	119	-
Net cash used in operating activities before changes in working capital		(1,454)	(1,734)
(Increase)/decrease in trade and other receivables		(102)	214
Decrease in trade and other payables		(12)	(107)
Net cash used in operating activities		(1,568)	(1,627)
Cash flows from investing activities			
Payments for financial assets at fair value through profit or loss		-	(445)
Payments for property, plant and equipment		(3)	-
Acquisition of subsidiaries	14	(678)	(1,039)
Payment for Hillside Project acquisition held in escrow	18	(650)	-
Loans advanced to third parties		(628)	-
Loans repaid third parties		70	-
Loans advanced to group companies	17	(7,856)	(3,315)
Bank interest received		18	-
Net cash used in investing activities		(9,727)	(4,799)
Financing activities			
Proceeds from issue of share capital and warrants	22	3,910	7,597
Share issue costs	22	(35)	(255)
Proceeds from issue of convertible loan notes	21	4,644	-
Net cash generated from financing activities		8,519	7,342
Net (decrease)/increase in cash and cash equivalents		(2,776)	916
Cash and cash equivalents at beginning of year		3,205	2,214
Effects of exchange rates on cash and cash equivalents		151	75
Cash and cash equivalents at end of year		580	3,205

The notes of page 58 to 81 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1. CORPORATE INFORMATION

Kavango Resources Plc (the "Company") is a public limited company listed on the main market of the London Stock Exchange and incorporated and domiciled in England. Its registered address is Salisbury House, London Wall, Suite 425, London United Kingdom EC2M 5PS.

The Company is the ultimate parent company of Kavango Minerals (Pty) Ltd ("Kavango Botswana"), and Kanye Resources (Pty) Ltd ("Kanye"), registered and domiciled in Botswana. The Company also owns 90% of Shongwe Resources (Pty) Ltd ("Shongwe"), Ashmead Holdings (Pty) Ltd ("Ashmead") and Icon-Trading Company (Pty) Ltd ("Icon"), all registered and domiciled in Botswana. The Company owns 100% of Kavango Zimbabwe (Private) Limited, a company registered and domiciled in Zimbabwe which in turn owns 100% of Kavango Mining (Private) Ltd.

In order to simplify the corporate structure, Navassa Resources Ltd, a fully-owned holding company, was liquidated on 4 June 2024.

The principal activity of the Company and its subsidiaries (the "Group") is exploration for base and precious metals in Botswana and Zimbabwe.

2. SIGNIFICANT ACCOUNTING POLICIES

(A) BASIS OF PREPARATION

The consolidated and company financial statements have been prepared in accordance with UK-adopted International Accounting Standards ("IAS") and in conformity with the requirements of the Companies Act 2006 and in accordance with Listing Rules. The consolidated and company financial statements have also been prepared under the historical cost convention, except for revaluation of certain financial instruments.

The consolidated and company financial statements are presented in US Dollars ("US\$"), which is the Group's and Company's presentational currency rounded to the nearest thousand unless otherwise stated.

The preparation of financial statements in conformity with IAS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Going concern

The consolidated and company financial statements have been prepared on a going concern basis. In assessing whether the going concern assumption is appropriate, the Directors have considered all relevant available information about the current and future position of the Group, including the Group's cash position and the budgeted level of spending on exploration and corporate activities. The Directors are satisfied that following the successful completion of fundraising in January 2025, which raised gross proceeds of US\$ 8,160,000, the Group has sufficient cash reserves to sustain the minimum level of exploration spending that is required as part of licence conditions and minimum corporate overheads activities for a period of not less than 12 months from the date of signing these financial statements. Therefore, the Directors continue to adopt the going concern basis of accounting in the preparation of the financial statements.

(B) NEW AND AMENDED STANDARDS AND INTERPRETATIONS

There were no new standards, amendments or interpretations effective for the first time for periods beginning on or after 1 January 2024 that had a material effect on the consolidated or company financial statements.

At the date of approval of these financial statements, there were no new standards or amendments to IAS which have not been applied in these financial statements which were in issue but not yet effective and are expected to have a material impact on the consolidated and company financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**
2. SIGNIFICANT ACCOUNTING POLICIES (continued)
(C) BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by other members of the Group.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are identified separately from equity attributable to the owner of the Company. On acquisition of subsidiaries, non-controlling interests are measured at their proportionate share of the fair value of the acquiree's identifiable net assets. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests.

(D) INVESTMENT IN SUBSIDIARIES

In the company financial statements, equity investments in Company's subsidiaries are stated at cost, which is the fair value of the consideration paid, less any impairment provision. The investment in subsidiaries balance on the Company's statement of financial position also includes the carrying value of long-term intercompany loans which are measured in accordance with note 2(N) 'Financial assets'.

(E) REVENUE

The Group generates revenue from its mining contract in Zimbabwe. Revenue is recognised at a point in time when the Group satisfies its performance obligation by transferring fine gold to a customer. The transfer occurs when the customer obtains control of the fine gold. Revenue is measured at the fair value of the consideration received, excluding value added taxes or duty.

(F) FOREIGN CURRENCIES

The functional currency for each entity, or for each branch within an entity, in the Group is the currency of the primary economic environment in which the entity operates. The consolidated and company financial statements are presented in US\$, which is the Group's and Company's presentational currency.

The functional currency of the Company is GBP.

Transactions in currencies other than the functional currency of each entity are recorded at the exchange rate on the date the transaction occurred. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are recognised in profit or loss.

On consolidation, the results of each entity in the Group with a non-US\$ functional currency are translated into US\$ at rates approximating to those ruling when the transactions took place. All assets and liabilities of these entities are translated at the rate ruling at the reporting date. The resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign exchange reserve.

**NOTES TO THE FINANCIAL STATEMENTS
CONTINUED****2. SIGNIFICANT ACCOUNTING POLICIES (continued)****(G) SEGMENT REPORTING**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

(H) COST OF SALES

Cost of sales comprise of direct costs incurred to fulfil the mining contract in Zimbabwe.

(I) TAXATION

Income tax expense represents the sum of the current tax and deferred tax charge for the year.

Current tax

Current tax payable is based on the taxable profit for the year calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. None of the entities in the Group generate taxable profits.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases and is accounted for using the balance sheet liability method.

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.

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 nickel 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.

(J) PRE-LICENCE EXPLORATION COSTS

Exploration costs incurred prior to the Group obtaining exploration legal rights are recognised in profit or loss as they are incurred. When the Group enters into an option agreement to acquire a licence, all associated option costs and exploration expenditure incurred prior to the option being exercised are treated as pre-licence exploration costs and included in profit or loss.

(K) INVENTORIES

Inventories consist of fine gold to be sold and consumables. Inventories are carried at the lower of cost and net realisable value.

In addition, a number of amendments to accounting standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

(L) 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 to evaluate the technical feasibility and commercial viability of extracting a mineral resource and other in country supporting activities. The Group capitalises staff costs of employees directly involved in the exploration activities of the Group except for employee share option charges.

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.

**NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**
2. SIGNIFICANT ACCOUNTING POLICIES (continued)
(M) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided on all property, plant and equipment to write off the cost less estimated residual value of each asset over its expected useful economic life on a straight-line basis at the following rates:

- Geological and field equipment including vehicles: 4–10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation charge on assets that are directly involved in exploration activities are capitalised as exploration intangible assets.

(N) FINANCIAL ASSETS

Financial assets are classified at initial recognition into one of the categories listed below, depending on the purpose for which the asset was acquired.

Amortised cost

Financial assets held at amortised cost comprise trade and other receivables, loan receivables, and cash and cash equivalents.

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g., trade receivables), but also incorporate other types of financial assets where the objective is to hold their assets in order to collect contractual cash flows and the contractual cash flows are solely payments of the principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for trade and other receivables are recognised based on the simplified approach within IFRS 9 *Financial Instruments* using the lifetime expected credit losses ("ECL") method. During this process the probability of the non-payment of the receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime ECL for the receivables. For trade and other receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administrative expenses in the statement of comprehensive income. On confirmation that the trade or other receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

For loan receivables, a lifetime ECL is recognised when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the loan receivable has not increased significantly since initial recognition, the loss allowance is measured at an amount equal to 12-month ECL.

Fair value through profit or loss

Financial assets held at fair value through the profit or loss comprise equity investments held. These are carried in the statement of financial position at fair value. Subsequent to initial recognition, changes in fair value are recognised in profit or loss.

(O) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at hand and in bank.

(P) FINANCIAL LIABILITIES

Financial liabilities include convertible loan notes, trade and other payables including deferred consideration. All financial liabilities are recognised initially at fair value, net of transaction costs incurred, and are subsequently stated at amortised cost, using the effective interest method.

(Q) DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss.

(R) EQUITY

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.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(S) SHARE BASED PAYMENTS

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. Depending on the nature of the goods or services received and in accordance with the relevant accounting policy, the share-based payment expense is either recognised in profit or loss, capitalised as Exploration and Evaluation asset or recognised as deduction in share premium. A corresponding increase in the warrant reserve or share option reserve is also recognised.

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The grant date fair value of share-based payment awards granted to employees and others providing similar services is recognised in profit or loss, with a corresponding increase in the share options reserve, over the period that the employees become unconditionally entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. Market vesting conditions are factored into the fair value of the award at grant date. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

When share-based payments awards are exercised, the Company issues new shares. The proceeds received, net of any directly attributable transaction costs, are credited to share capital and the share premium account. The fair value of the awards exercised or forfeited prior to vesting and previously recognised in the share options reserve or warrants reserve is transferred to accumulated losses for capital maintenance purposes.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the accounting policies, which are described in note 2, 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 in which the revision is made.

(A) SOURCES OF ESTIMATION UNCERTAINTY

(i) Valuation of exploration and evaluation assets

The carrying value of exploration assets in the consolidated financial statements as at 31 December 2024 is US\$ 14,071,000 (2023: US\$ 14,586,000) which was impaired during the year by US\$ 2,737,000 (2023: \$nil). The recoverability of this carrying value, and thus potential further impairment, requires use of significant judgments and estimates which are detailed in note 13.

(ii) Recoverability of investment in subsidiaries and intragroup receivables

In the company financial statements, the carrying value of the Company's investment in subsidiaries and intragroup receivables is US\$ 24,108,000 (2023: US\$ 16,856,000). The recoverability of this balance, whether through joint venture partnership, divestment, or commencement of production, is driven by the same judgements and uncertainties as the recoverability of the exploration and evaluation assets held by the subsidiaries and discussed in note 13.

(iii) Recoverability of amounts due from shareholder

In the consolidated and company financial statements, the carrying value of the amount due from shareholders is US\$ 287,000 (2023: US\$ 637,000). The Directors are satisfied that this balance is recoverable if the shares are to be reissued to a different shareholder at a prevailing market price thus no further expected credit loss provision is necessary. Further details are included in note 22.

**NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**
4. SEGMENTAL DISCLOSURES

The Group previously had two reportable segments, Exploration and Corporate, which are the Group's strategic divisions. In the year ended 31 December 2024, the Group started generating revenue from its mining contract in Zimbabwe, which is considered to be a separate operating segment. For each of the strategic divisions, the Board reviews internal management reports on a regular basis. The Group's reportable segments are:

Exploration: the exploration operating segment is presented as an aggregate of all Botswana and Zimbabwe projects in which the Group has economic interest as well as pre-licence expenditure. Expenditure on exploration activities for each licence is used to measure agreed upon expenditure targets for each licence to ensure the licence exploration commitments are met;

Mining: includes the results of the Group's mining contract operations in Zimbabwe; and

Corporate: the corporate segment includes the Company and intermediate holding companies' costs in respect of managing the Group. This includes the cost of employee share options granted by the Company.

Segmental results are detailed below:

	Mining US\$'000	Exploration US\$'000	Corporate US\$'000	Total US\$'000
31 December 2024				
Revenue	445	-	-	445
Cost of sales	(484)	-	-	(484)
Gross loss	(39)	-	-	(39)
Pre-licence exploration costs	-	(3,977)	-	(3,977)
Impairment of exploration assets	-	(2,737)	-	(2,737)
Administrative and other costs*	-	-	(1,863)	(1,863)
Gain on fair value of financial assets	-	-	42	42
Finance income	-	-	31	31
Finance expense	-	-	(119)	(119)
Loss before tax	(39)	(6,714)	(1,909)	(8,662)

	Mining US\$'000	Exploration US\$'000	Corporate US\$'000	Total US\$'000
31 December 2023				
Pre-licence exploration costs	-	(1,153)	-	(1,153)
Administrative and other costs*	-	-	(2,063)	(2,063)
Gain on fair value of financial assets	-	-	(77)	(77)
Loss before tax	-	(1,153)	(2,140)	(3,293)

* Results of the corporate segment include a share-based payment charge of US\$ 187,000 (2023: US\$ 753,000) and expected credit loss allowance on amounts due from shareholder of US\$ 347,000 (2023: US\$ nil).

Segmental assets and liabilities are detailed below:

	Non-current assets		Non-current liabilities	
	31 Dec 2024 US\$'000	31 Dec 2023 US\$'000	31 Dec 2024 US\$'000	31 Dec 2023 US\$'000
Exploration: intangible assets and equipment (Botswana)	14,147	14,737	-	-
Exploration: equipment (Zimbabwe)	864	201	-	-
Corporate (London and Mauritius)	-	-	-	-
Total of all segments	15,011	14,938	-	-

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED

4. SEGMENTAL DISCLOSURES (continued)

	Total assets		Total liabilities	
	31 Dec 2024 US\$'000	31 Dec 2023 US\$'000	31 Dec 2024 US\$'000	31 Dec 2023 US\$'000
Exploration (Botswana)	14,508	14,892	73	175
Exploration (Zimbabwe)	1,577	402	285	45
Corporate (London)	2,722	4,343	5,117	1,064
Mining (Zimbabwe)	202	-	-	-
Total of all segments	19,009	19,637	5,475	1,284

5. FINANCE INCOME

	31 Dec 2024 US\$'000	31 Dec 2023 US\$'000
Interest income from cash and cash equivalents	18	-
Interest income from loan receivables (note 15)	13	-
	31	-

6. FINANCE EXPENSE

	31 Dec 2024 US\$'000	31 Dec 2023 US\$'000
Interest on convertible loan notes (note 21)	119	-

7. PRE-LICENCE EXPLORATION COSTS

	31 Dec 2024 US\$'000	31 Dec 2023 US\$'000
Pre-licence exploration costs incurred in Zimbabwe	3,977	1,153

The Group has options over several licence areas in Zimbabwe, consisting of the Nara Project, and the Leopard and Hillside Projects. The Group incurs option fees to gain access to the licence areas and perform exploration work to evaluate the potential of each project. The ownership of exploration data collected remains with the licence holders until the options are exercised. Further details on each project can be found in the Operations Report.

The terms of the options are summarised below:

NARA PROJECT

The Nara Project comprises 45 contiguous gold claims. On 26 June 2023, the Company entered into an exclusive two-year option agreement to acquire the claims for US\$ 4,000,000 in cash, plus an earn-out based on a declaration of a code-compliant resource estimate.

The option fee is \$220,000 payable in 6-monthly instalments in advance and as part of the agreement the Company is required to spend a minimum of US\$ 500,000 on exploration in the first year, with a total exploration spend of US\$ 2,000,000 over the option term.

LEOPARD AND HILLSIDE PROJECTS

The Hillside Project comprises 44 gold claims, plus additional claims covering an area of 896Ha at Leopard North and Leopard South. On 25 July 2023, the Company entered into an exclusive six-month option agreement, subsequently extended by a further eighteen months until 25 July 2025.

The Company exercised the option over Hillside and Leopard South in April 2024, and extended the Leopard North option until 30 June 2025.

**NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**
7. PRE-LICENCE EXPLORATION COSTS (continued)

The acquisition of the Hillside Project and Leopard South has not completed by 31 December 2024. The terms of the acquisition are as follows:

- a) US\$ 600,000 cash consideration payment to the sellers of Hillside and US\$ 50,000 cash consideration to the sellers of Leopard South. The total cash payable of US\$ 650,000 remains in escrow and is included within the other receivables balance (note 18) whilst the transaction completes.
- b) A further US\$ 1,000,000 of shares are to be issued in the Company in the event that a code compliant resource in excess of 200,000 oz gold is defined.
- c) The Group responsibility for up to \$350,000 of debt owed, which is repayable at \$10,000 per month.
- d) The Group granted a royalty of 5% of gold production on the properties, capped at a value of \$1,500,000, and which the Company may at its option buy out within 12 months for an issue of 63,125,000 shares in the Company.
- e) Completion is subject to satisfactory transfer by the sellers of the mining claims into Kavango's Zimbabwe subsidiary, and on the Company paying the Zimbabwe Special Capital Gains Tax ("SCGT") due on the transaction.

The Company may exercise the Leopard North option in return for payment of US\$ 100,000 and the issue of 34,125,000 shares in the Company.

8. LOSS BEFORE TAXATION:

Loss before taxation is stated after charging/(crediting) the following:

	Note	31 Dec 2024 US\$'000	31 Dec 2023 US\$'000
Depreciation charge, net of amounts capitalised as intangible exploration asset		144	12
Employee benefit expenses	9	1,436	1,235
Auditor remuneration, net of amounts recognised in share premium		92	88
Cumulative gain on foreign exchange of liquidated subsidiary		-	(7)
Expected credit loss allowance on amounts due from shareholder	22	(347)	-
Net foreign exchange (gains) and losses		(39)	15

Services provided by the Company's auditor and its associates

During the year, the Group (including overseas subsidiaries) obtained the following services from the Company's auditors and its associates:

	31 Dec 2024 US\$'000	31 Dec 2023 US\$'000
Fees payable to the Company's auditor and its associates for the audit of the Company and Group financial statements	86	80
Fees payable to the Company's auditor for other permitted non-audit services:		
- audit-related assurance services: review of interim report	6	8
- permitted services relating to a corporate finance transaction: reporting accountant	45	37
	137	125

**NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**
9. EMPLOYEES

Employee benefit expenses consisted of the following:

	Group 31 Dec 2024 US\$'000	Group 31 Dec 2023 US\$'000	Company 31 Dec 2024 US\$'000	Company 31 Dec 2023 US\$'000
Wages and salaries	1,578	828	547	438
Social security costs	74	35	28	35
Other post-employment benefits	4	3	4	3
Share-based payment expenses (note 23)	187	760	187	760
	1,843	1,626	766	1,236
Less: amounts capitalised as exploration assets	(407)	(391)	-	-
Employee benefits recognised in profit or loss	1,436	1,235	766	1,236

The average monthly number of employees during the year was:

	Group 31 Dec 2024 No.	Group 31 Dec 2023 No.	Company 31 Dec 2024 No.	Company 31 Dec 2023 No.
Directors and senior management	7	5	6	4
Administrative staff	17	2	-	-
Technical personnel	47	-	-	-
Field personnel	36	36	-	-
Total	107	43	6	4

Further details of Directors' remuneration are included in the Directors' Remuneration Report on pages 37 to 40.

10. TAXATION

	31 Dec 2024 US\$'000	31 Dec 2023 US\$'000
Current taxation	-	-
Deferred taxation	-	-
Total tax charge for the year	-	-

The total tax charge for the year can be reconciled to the loss for the year multiplied by the weighted average applicable tax rate as follows:

	31 Dec 2024 US\$'000	31 Dec 2023 US\$'000
Loss for the year	(8,662)	(3,293)
Tax at the applicable rate of 19.5% (2023: 22.5%)	(1,693)	(740)
Expenses not deductible for tax	37	171
Effect of tax losses not recognised as deferred tax assets	1,656	569
Total tax charge for the year	-	-

The weighted average applicable tax rate of 19.5% (2023: 22.5%) used is a combination of the 25% standard rate of corporation tax in the UK (2023: 23.5%), 22% standard rate of corporation tax in Botswana (2023: 22%), nil corporation tax rate in Mauritius (2023: nil) and the expected tax rate applicable to mining companies in Zimbabwe of 15% (2023: 15%).

The Group has approximately US\$ 12,370,000 (2023: US\$ 7,082,000) of tax losses available to carry forward against future taxable profits. A deferred tax asset has not been recognised because of uncertainty over future taxable profits against which the losses may be used. Tax losses can be carried forward indefinitely.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

11. EARNINGS PER SHARE

	31 Dec 2024 US\$'000	31 Dec 2023 US\$'000
Loss for the year from continuing operations	8,662	3,293
	31 Dec 2024 Number	31 Dec 2023 Number
Weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share	1,466,177,425	732,929,929
	31 Dec 2024 US Cents	31 Dec 2023 US Cents
Basic and diluted loss per share attributable to owners of the Company	0.59	0.45

The basic and diluted loss per share attributable to owners of the Company are identical as the share options and warrants detailed in notes 23 and 24 are considered to be anti-dilutive due to the loss made for the year.

12. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consists of exploration field equipment, which includes all fixed assets in Botswana and Zimbabwe, including vehicles used in field activities by geology staff.

	Group 31 Dec 2024 US\$'000	Group 31 Dec 2023 US\$'000	Company 31 Dec 2024 US\$'000	Company 31 Dec 2023 US\$'000
Net book value				
At 1 January	352	172	-	-
Additions	811	259	3	-
Disposals	(17)	-	-	-
Depreciation	(200)	(71)	(1)	-
Translation differences	(6)	(8)	-	-
	940	352	2	-

Of the total depreciation charge, US\$ 56,000 (2023: US\$ 59,000) has been capitalised as an intangible exploration asset (note 13). The remainder of the depreciation charge relates to equipment in Zimbabwe and is included in pre-exploration expense (note 7).

13. INTANGIBLE ASSETS

Intangible assets comprise entirely of exploration and evaluation assets.

	Group 31 Dec 2024 US\$'000	Group 31 Dec 2023 US\$'000
Net book value		
At 1 January	14,586	9,679
Additions	2,355	4,241
Impairment	(2,737)	-
Translation differences	(133)	666
Total	14,071	14,586

The additions balance relates to the Group's exploration activity in Botswana. Details on the exploration activity including acquisition of new licences can be found in the Operations Report.

**NOTES TO THE FINANCIAL STATEMENTS
CONTINUED****13. INTANGIBLE ASSETS (continued)**

In the year ended 31 December 2024, the additions balance included capitalised depreciation charge of US\$ 56,000 (2023: US\$ 59,000) in relation to property, plant and equipment used in exploration activities. In the year ended 31 December 2023, the additions balance also included the acquisition of Icon and Ashmead subsidiaries for US\$ 1,720,000, which included non-cash consideration (note 14).

Recoverability of the Group's exploration and evaluation assets is dependent on 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 also dependent on its ability to raise sufficient finance in future, which is uncertain. The ability of the Group to continue operating within Botswana and Zimbabwe is dependent on a stable political environment. 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.

IMPAIRMENT REVIEW

The Directors have undertaken a review to assess whether the following impairment indicators exist as at 31 December 2024 or subsequently prior to the approval of these financial statements:

1. Licences to explore specific areas have expired or will expire in the near future and are not expected to be renewed;
2. No further substantive exploration expenditure is planned for a specific licence;
3. Exploration and evaluation activity in a specific licence area have not led to the discovery of commercially viable quantities of mineral resources and the Board has decided to discontinue such activities in the specific area; and
4. Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full by successful development or by sale.

As detailed in the Operations Report, the Directors took the decision to reduce the licence area in the KSZ region in Botswana to allow for a more focused exploration programme on the remaining licences. As a result, the accumulated exploration expenditure incurred on the 10 licences that are no longer deemed prospective for further exploration has been written off, leading to an impairment charge of US\$ 2,737,000 recognised in profit or loss (2023:US\$ nil).

The Board is fully committed to continuing exploration on the Group's remaining projects and further details on the progress of the exploration activities can be found in the Operations Report. Notwithstanding this, the Board will continue, through 2025, to review all projects, to ensure that resources are focussed where there is the greatest opportunity for discovery.

All the Group's prospecting licences in Botswana are subject, after an initial three-year licence term, to biennial renewals by the Department of Mines in Botswana. After an initial two renewal periods the renewal of these becomes subject to the minister's discretion. Further renewals fall due during 2025. To date the Group's prospecting licences have always been renewed, consequently the Company's Directors and management have a reasonable expectation of further renewals being successful.

In respect of the remaining projects, following the above-mentioned impairment review, no indicators were noted that would lead to an impairment on any of these remaining projects.

14. ACQUISITION OF ICON-TRADING COMPANY (PTY) LTD AND ASHMEAD HOLDINGS (PTY) LTD IN 2023

In November 2023 the Group entered into an agreement with Global Exploration Technologies (Pty) Limited to acquire a 90% interest in six licence areas by acquiring 90% of the issued shares of Icon and Ashmead.

The total consideration was US\$ 1,720,000 and comprised of the following:

- a. US\$ 1,015,000 payable upon on the completion of the acquisition;
- b. US\$ 339,000 payable 90 days following the completion of the acquisition; and
- c. US\$ 339,000 payable 180 days following the completion of the acquisition.

The two entities acquired do not meet the definition of a business as defined in IFRS 3 *Business Combination* and therefore represents an asset purchase, being the interest in the licences.

The consideration was capitalised as intangible exploration assets and included as additions in the year ended 31 December 2023 (note 13). A non-controlling interest has been recognised as a result of this transaction, totalling US\$ 186,000 representing the 10% of the fair value of the licences acquired. Transaction costs of US\$ 27,000 were incurred and added to the cost of the intangible assets acquired.

The total deferred consideration of US\$678,000 was settled in full in during the year ended 31 December 2024.

**NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**
15. LOAN RECEIVABLES

	Group and Company 31 Dec 2024 US\$'000	Group and Company 31 Dec 2023 US\$'000
Loan advanced to Pambili	163	-
Loan advanced to Equity Drilling	408	-
	571	-

LOAN ADVANCED TO PAMBILI

During the year ended 31 December 2024, the Group provided a loan to Pambili Natural Resources Corporation ("Pambili"), a gold exploration company listed in Canada of US\$ 150,000. The loan is unsecured and repayable by no later than 31 January 2025. The loan includes an arrangement fee of US\$ 15,000 which is accounted for as interest with a corresponding interest income of US\$ 13,000 included within finance income. Subsequent to year end, Pambili defaulted on the loan repayment and the loan was refinanced through convertible loan notes as disclosed in note 29.

LOAN ADVANCED TO EQUITY DRILLING

During the year ended 31 December 2024, the Group provided a US\$ 478,000 loan to its drilling contractor, Equity Drilling Zimbabwe (Pvt) Limited, to facilitate acquisition of drilling equipment in Zimbabwe. The loan is secured against the assets and is interest-free. The loan is repayable no later than 31 December 2025 and a total of \$70,000 was repaid by 31 December 2024.

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group and Company 31 Dec 2024 US\$'000	Group and Company 31 Dec 2023 US\$'000
Interest in listed entities	418	378

INTEREST IN LISTED ENTITIES

Interest in listed entities comprises of the Company's investments in Power Metal Resources PLC ("Power Metals") and Pambili Natural Resources Corporation ("Pambili").

Power Metals

At 31 December 2023, the fair value of Group's investment in Power Metals, an AIM-listed metal exploration company, was US\$ 109,000. The fair value subsequently decreased to US\$ 96,000 as at 31 December 2024 with a loss of US\$ 11,000 recognised in profit or loss. A foreign exchange loss of US\$ 2,000 has also been recognised.

Pambili

During the year ended 31 December 2023, the Company subscribed to a US\$ 250,000 convertible loan note issued by Pambili, a gold exploration company listed on the TSX Venture Exchange ("TSX-V") in Canada. The convertible loan note was interest-free and convertible at par plus US\$ 75,000 redemption premium into ordinary shares in Pambili at CAD\$0.05 each. The Company served a binding conversion notice to Pambili on 29 November 2023, which would have given the Group 8,925,000 shares representing approximately 16.6% of Pambili's enlarged issued share capital. As at 31 December 2024, the allotment of these shares remained outstanding whilst Pambili completed a linked transaction and sought the necessary approvals from TSX-V. The fair value of the Group's interest in Pambili as at 31 December 2023 was US\$ 269,000.

On 4 July 2024, in order to facilitate the approval of the allotment of shares by TSX-V, the Group agreed to reduce its shareholding from 16.6% to 14.0% with a corresponding reduction in the number of shares to be issued from 8,925,000 to 7,704,910. The shares were subsequently issued and as at 31 December 2024 the fair value of the Group's shares in Pambili was US\$ 322,000 as with the corresponding gain of US\$ 56,000 recognised in profit or loss. A foreign exchange loss of US\$ 6,000 has also been recognised.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)**

The movement in the fair value of the Company's interest in listed entities is detailed below:

	Group and Company 31 Dec 2024 US\$'000	Group and Company 31 Dec 2023 US\$'000
At 1 January	378	-
Additions	-	445
Gain/(loss) on the change in fair value	47	(77)
Translation differences	(7)	10
At 31 December	418	378

17. INVESTMENTS IN SUBSIDIARIES

Company	31 Dec 2024 US\$'000	31 Dec 2023 US\$'000
Shares in subsidiaries	724	2,633
Loans to subsidiaries	23,384	14,223
Total	24,108	16,856

Loans to subsidiaries are interest free and payable on demand.

Navassa Resources Ltd ("Navassa"), a fully owned intermediate holding company, was dissolved on 4 June 2024. As a result of this transaction, Navassa's shares in, and intercompany receivable from, Kavango Minerals (Pty) Ltd were hived up to the Company and the Company's investment in subsidiaries balance was reduced by \$1,909,000 with an impairment charge of US\$ 114,000 (2023: US\$ 406,000) recognised in the Company's profit or loss.

The Directors conducted an impairment review and are satisfied that the carrying value of US\$ 24,108,000 (2023: US\$ 16,856,000) is reasonable and no further impairment is necessary (2023: US\$ nil). The recoverability of the intercompany balances is intrinsically linked to the value of the underlying exploration assets in Botswana and the exploration potential in Zimbabwe. The Directors are satisfied with the progress made in both countries and, whilst a successful realisation of the Company's investments whether through a joint venture partnership, divestment, or commencement of production is inherently uncertain, the Directors consider that the carrying values are supported by market transactions and available geological evidence.

LIST OF SUBSIDIARY UNDERTAKINGS

Name	Country of incorporation and principal place of business	Nature of business	Proportion of equity shares held by the Company
Kavango Minerals (Pty) Ltd	Botswana	Mineral exploration	100%
Kanye Resources (Pty) Ltd	Botswana	Mineral exploration	100%
Shongwe Resources (Pty) Ltd	Botswana	Licence holding company	90% (indirect holding)
Ashmead Holdings (Pty) Ltd	Botswana	Licence holding company	90%
Icon-Trading Company (Pty) Ltd	Botswana	Licence holding company	90%
Kavango Zimbabwe (Private) Limited	Zimbabwe	Mineral exploration	100%
Kavango Mining (Private) Ltd	Zimbabwe	Mineral exploration	100% (indirect holding)

The registered address of subsidiaries registered in Botswana is Plot 1306, Government Camp, Francistown, Botswana.

The registered address of Kavango Zimbabwe (Private) Limited is 8A Livingston Road, 8th Street Suburbs, Bulawayo, Zimbabwe.

The registered address of Kavango Mining (Private) Ltd is 8A Livingston Road, 8th Street Suburbs, Bulawayo, Zimbabwe.

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertaking held directly by the parent company does not differ from the proportion of ordinary shares held.

**NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**
18. TRADE AND OTHER RECEIVABLES

	Group 31 Dec 2024 US\$'000	Group 31 Dec 2023 US\$'000	Company 31 Dec 2024 US\$'000	Company 31 Dec 2023 US\$'000
Amounts due from shareholders	287	637	287	637
VAT recoverable	242	107	31	28
Other receivables and prepayments	1,272	184	834	94
Total	1,801	928	1,152	759

Other receivables and prepayments include the following:

During the year ended 31 December 2024, the Group advanced a short-term working capital loan to Pambili Natural Resources Corporation ("Pambili"), a gold exploration company listed on the TSX-V in Canada, of US\$ 68,000 (2023: US\$ nil).

In April 2024, the Company exercised the option to acquire the Hillside and Leopard North Projects and transferred the exercise price of US\$ 650,000 into an escrow account. The acquisition has not completed by 31 December 2024 and the funds remained in escrow.

Further details on the amounts due from shareholders is included in note 28.

19. CASH AND CASH EQUIVALENTS

	Group 31 Dec 2024 US\$'000	Group 31 Dec 2023 US\$'000	Company 31 Dec 2024 US\$'000	Company 31 Dec 2023 US\$'000
Cash in bank	991	3,317	580	3,205
Cash in hand	114	76	–	–
Total	1,105	3,393	580	3,205

20. TRADE AND OTHER PAYABLE

	Group 31 Dec 2024 US\$'000	Group 31 Dec 2023 US\$'000	Company 31 Dec 2024 US\$'000	Company 31 Dec 2023 US\$'000
Trade payables	205	230	88	145
Accruals and other payables	485	356	256	224
Deferred consideration (note 14)	–	681	–	681
Other tax and social security	22	17	10	15
Total	712	1,284	354	1,065

21. CONVERTIBLE LOAN NOTES

	Group 31 Dec 2024 US\$'000	Group 31 Dec 2023 US\$'000	Company 31 Dec 2024 US\$'000	Company 31 Dec 2023 US\$'000
Convertible loan notes – principal	4,644	–	4,644	–
Convertible loan notes – accumulated interest	119	–	119	–
Total	4,763	–	4,763	–

In August and December 2024, the Company issued 3,711,668 £1 unsecured convertible loan notes with the principal value of US\$ 4,644,000. The loan notes are repayable in cash 12 months after issue and accumulate interest at 10% per annum. The loan notes are convertible into ordinary shares of the Company, at the option of the holders, at any time subject to the Company publishing an FCA-approved prospectus and the Company having sufficient share authorities to issue such conversion shares. The conversion price is set to be the subscription price achieved in the fundraise in connection with the FCA-approved prospectus. The instrument meets the definition of a financial liability in its entirety.

As disclosed in note 29, after the year-end the Company completed its fundraise at 0.7 pence per share and published the FCA-approved prospectus on 28 January 2025. The convertible loan notes were converted in full into ordinary shares of the Company.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**22. SHARE CAPITAL**

	Number of shares No.	Share capital US\$'000	Share premium US\$'000	Total US\$'000
As at 1 January 2023	705,569,314	904	19,296	20,200
Purebond Placing	600,000,000	759	6,838	7,597
Issue costs	-	-	(255)	(255)
Warrants granted	-	-	(90)	(90)
As at 31 December 2023	1,305,569,314	1,663	25,789	27,452
Share issue	257,113,862	326	3,584	3,910
Issue costs	-	-	(35)	(35)
As at 31 December 2024	1,562,683,176	1,989	29,338	31,327

The Company has one class of ordinary shares of 0.1 penny each which entitle the holders to receive dividends as declared from time to time and to vote at meetings of the Company. All ordinary shares rank equally with regard the Company's residual net assets. There are no restrictions on the transfer of shares.

On 16 May 2024, the Company successfully raised £3,085,366 (US\$ 3,910,000) gross proceeds by placing 257,113,862 new ordinary shares at 1.2 pence each.

The total cash received, before issue costs, by the Company for the shares issued during the year ended 31 December 2024 was US\$ 3,909,375 (2023: US \$7,597,000).

In November 2022 the Company raised US\$ 4,164,000 through the issue of 194,444,437 shares and 194,444,437 3p warrants. Of this amount, as at 31 December 2024 and at the date of approval of these financial statements, £500,000 (US\$ 626,000; 2023: US\$637,000) remain outstanding from one subscriber, Arigo Capital. The Directors have concluded that the amounts are unlikely to be recovered from the subscriber and therefore, as permitted by the Company's Articles of Association, the shares will be reissued to a different shareholder. The shares will be reissued at the prevailing market price, which as at 31 December 2024 was 0.825 pence and therefore an expected credit loss provision of US\$ 347,000 (2023: US\$ nil) has been recognised in profit or loss to reduce the carrying value of the receivable to US\$ 287,000. The receivable is included within the trade and other receivables balance (note 18).

23. SHARE-BASED PAYMENTS

The Company is party to the following share-based payment arrangements:

- (a) Share options issued to employees and others providing similar services;
- (b) Warrants issued to third-party suppliers for the provision of exploration and corporate services; and
- (c), (d) Warrants issued as part of corporate acquisitions.

The Company also settles some of its capitalised drilling contractor invoices in shares (note 22).

Warrants issued to shareholders as part of fundraising are disclosed in note 24.

Movements in the Share Options Reserve are detailed below:

	Share Options Reserve US\$'000
As at 1 January 2023	913
Share-based payments – expensed	760
As at 31 December 2023	1,673
Share-based payments – expensed	187
As at 31 December 2024	1,860

**NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**
23. SHARE-BASED PAYMENTS (continued)
(A) SHARE OPTIONS
Share options granted prior to 1 January 2023

In 2018, the Company granted 13,400,000 share options to the Directors and management exercisable at 2.5 pence for a period of 10 years from date of grant.

In 2019, the Company granted 2,600,000 share options to the Directors and management exercisable at 2.8 pence for a period of 10 years from date of grant.

In May 2020, the Company granted 2,725,000 share options to Directors and management exercisable at 0.8 pence for a period of 10 years from date of grant.

None of the share options detailed above had vesting conditions attached to them.

In February 2021, the Company granted 3,500,000 share options to the Directors of the Company exercisable at 3.3 pence per share. The options are subject to the Directors being employed by the Company, with half the options vesting after one year and the remainder vesting after two years.

In June and August 2021, the Company granted options to the Directors and management which are subject to the following performance conditions:

- (i) a minimum service period, ranging between 6 and 24 months;
- (ii) the Company share has to hit a set threshold on any 5 trading days; and
- (iii) the option holder has to be employed on the date of exercise, unless employment is terminated by the Company and 'good leaver provisions' apply.

The options are valid for 7 years from the date of grant. Some of these options were subsequently replaced during the year ended 31 December 2023.

In January 2022, the Board made firm commitments to a Director and management to issue further options in January 2022 but with the vesting period commencing on 1 December 2021. These were issued on 4 January 2022 but have a grant date of 1 December 2021 and have been accounted for from that date.

Share options granted in the year ended 31 December 2023

On 3 February 2023, the Company granted 32,820,000 of new options to the Group's Directors, employees and contractors. The Company also amended the vesting conditions and exercise price of 10,000,000 existing share options to align them with the new grant.

The Directors have elected to account for the amendment as a cancellation of the existing options, leading to an accelerated recognition of the remaining option charge of US\$ 200,000 in the period ended 31 December 2023, and treating the replacement options as a new grant.

The new and amended options were valid for 7 years from the date of grant, or 7 years from the date of original grant for the amended options, with the exercise price of 3p.

Of the 42,820,000 new and amended options granted, 37,820,000 are subject the following vesting conditions:

- (i) a minimum service period, ranging between 6 and 18 months and the Company share price closing at 6p or above on any 5 trading days; or
- (ii) the Company share price closing at 7.5p or above on any 5 trading days; or
- (iii) change of control of the Company.

The exercise of the options is subject to continuous employment or commercial engagement with the Group on the day of exercise, unless terminated by the Group or the usual 'good leaver provisions' apply. The vesting period of these options is therefore variable and is linked to market-based performance conditions.

The remaining 5,000,000 options were granted to the Company CEO on the same terms as above except there is no continuous employment requirements. Therefore, and in accordance with applicable accounting standard their fair value was recognised in full on the date of grant.

**NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**
23. SHARE-BASED PAYMENTS (continued)

A Monte Carlo model was used to calculate the fair value of the options at the date of grant and, for non-CEO options, to estimate the most likely vesting period. The result of the valuation together with other inputs into the model are detailed below:

	3 February 2023
	Options
Number of Options	42,820,000
Share price at the date of grant (pence)	1.3
Exercise price (pence)	3.0
Term	7 years
Expected exercise date	On vesting
Dividend yield	0%
Annual risk-free rate	2.98%
Volatility	84.90%
Total fair value	US\$ 319,000
Estimated vesting period for non-CEO options	5 to 7 years

On 20 November 2023, the Company granted 48,000,000 share options to Directors exercisable at 1.1p per share for a period of 7 years.

The Company also granted 20,000,000 share options to some consultants of the Group exercisable at 1.1p per share for a period of 7 years. These options are issued in tranches, with 2,000,000 options issued immediately and the remaining 4,000,000 and 14,000,000 options issues in 12 and 24 months respectively, subject to continuous commercial engagement with the Group.

The fair value of these share options was calculated using the Black-Scholes pricing model and totalled US\$ 440,000. The inputs in the model are as follows:

	20 November 2023
	Options
Number of Options	68,000,000
Share price at the date of grant (pence)	0.7
Exercise price (pence)	1.1
Term	7 years
Expected exercise date	On expiry
Dividend yield	0%
Annual risk-free rate	3.96%
Volatility	87.29%

No new share options were granted during the year ended 31 December 2024.

Summary

	31 Dec 2024		31 Dec 2023	
	Number of Options	Average exercise price (pence)	Number of Options	Average exercise price (pence)
At 1 January	146,295,000	2.33	45,475,000	4.24
Granted during the year	–	–	110,820,000	1.83
Cancelled	–	–	(10,000,000)	5.50
Lapsed	(3,000,000)	3.00	–	–
At 31 December	143,295,000	2.33	146,295,000	2.33
Exercisable at 31 December	74,225,000	1.57	74,225,000	1.57

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

23. SHARE-BASED PAYMENTS (continued)

Share options outstanding as at 31 December 2024 have the following expiry dates and exercise prices:

Scheme	Number of Options	Weighted average exercise price (pence)	Weighted average contractual life (years)
2018 Options	13,400,000	2.80	3.85
2019 Options	2,600,000	2.50	4.33
2020 Options	2,725,000	0.80	5.34
2021 February Options	3,500,000	3.30	6.11
2021 June Options	4,750,000	5.00	3.43
2021 August Options	8,500,000	6.20	3.61
2023 February Options	39,820,000	3.00	4.82
2023 November Options	68,000,000	1.10	5.89
Total	143,295,000	2.33	5.15

A charge of US\$ 187,000 (2023: US\$ 753,000) was recognised in profit or loss in respect of the Company share options.

(B) SUPPLIER WARRANTS

In April 2021, the Company entered into the partnership agreement with Spectral Geophysics Ltd ("Spectral") for Spectral to conduct a total of 15 time-domain electromagnetic ("TDEM") surveys for the KSZ project. Under the terms of the agreement, Spectral are entitled to up to a total of 3 million warrants exercisable at 4.25p per share for a period of 4 years. The warrants vest in tranches of 1 million each for every 5 completed TDEM surveys. As at 31 December 2024, 1 million (2023: 1 million) warrants are exercisable. The fair value of the warrants issued was based on the fair value of services received and US\$ 92,000 has been capitalised as an intangible exploration asset.

During the year ended 31 December 2022, the Company engaged Tamesis Partners LLP ("Tamesis") to act as financial advisor to the Group. In consideration for the provision of the transaction services, Tamesis were awarded with 8,333,334 warrants exercisable for two years from the date of issuance and with an exercise price of 3p per share. The warrants were valued using the Black Scholes pricing model with a total fair value of US\$ 51,000. The warrants expired unexercised during the year end 31 December 2024.

During the year ended 31 December 2023, the Company issued 14,466,667 broker warrants in connection with the 2022 5p Share placing. The warrants were valued using the Black Scholes pricing model with the significant inputs summarised below:

	3p warrants
Share price at the date of grant (pence)	1.85
Exercise price (pence)	3.0
Dividend yield	0%
Term	2.0 years
Annual risk-free interest rate	3.03%
Volatility	71.5%
Number of warrants issued	14,466,667
Total fair value of the warrants	US\$ 90,000

The fair value of broker warrants was charged against share premium. The warrants expired unexercised during the year end 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**23. SHARE-BASED PAYMENTS (continued)****(C) ACQUISITION OF KANYE JV**

In 2022 the Company issued 75,000,000 warrants to Power Metals to acquire their share of Kanye joint venture consisting of 30 million warrants exercisable at 4.25p, 30 million warrants exercisable at 5.5p and 15 million of variable price warrants where the exercise price is the higher of: 3p, and the Company's actual price at a 15% discount to the volume-weighted average share price on the date of exercise. If all variable price warrants were exercised prior to expiry, Power Metals would have received 15 million replacement warrants, on the same exercise terms and with a 6-month life expiry from issue date.

The fixed exercise price warrants were valued using the Black Scholes pricing model and totalled US\$ 211,000. The value of the 15 million variable price warrants was clearly trivial and they lapsed unexercised on 7 January 2023.

(D) ACQUISITION OF SHONGWE RESOURCES (PTY) LTD

In 2022 the Company issued 2,000,000 two-year warrants to LVR GeoExplorers (Pty) Ltd as part of the acquisition of the licences held in Shongwe Resources (Pty) Ltd. The warrants were valued using the Black Scholes pricing model with a total fair value of US\$ 2,000. The warrants expired unexercised during the year end 31 December 2024.

24. WARRANT RESERVE

	Group and Company 31 Dec 2024 US\$'000	Group and Company 31 Dec 2023 US\$'000
At 1 January	609	650
Warrants issued during the year – note 23	–	90
Warrants lapsed during the year – note 23	(144)	(131)
At 31 December	465	609

Details of the warrants outstanding as at 31 December 2024 are as follows:

Warrants	Exercise price (pence)	Grant date	Expiry date	No of Warrants outstanding
2021 Spectral Warrants	4.25	20 April 2021	20 April 2025	1,000,000
2022 3.0p Placing	3.00	17 November 2022	28 February 2025	194,444,437
2022 Power Warrants	4.25	25 November 2022	8 January 2025	30,000,000
2022 Power Warrants	5.50	25 November 2022	8 January 2025	30,000,000
				255,444,437

During the year ended 31 December 2024, a total of 24,800,001 warrants lapsed unexercised (2023: 195,435,423). No warrants were exercised during the year (2023: none).

2022 3.0P PLACING

In November 2022 as part of a share placing (note 22) the Company granted 194,444,437 warrants exercisable at 3.0p for a period of 2 years.

Details of other warrants can be found in note 23(B).

After the year-end, all 2022 Power Warrants and all 2022 3.0p Placing Warrants lapsed unexercised in January and February 2025 respectively.

**NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**
25. NON-CONTROLLING INTERESTS

	31 Dec 2024 US\$'000	31 Dec 2023 US\$'000
At 1 January	186	–
Addition on acquisition of subsidiaries	–	186
At 31 December	186	186

As at 31 December 2024, the Group has 90% shareholding in Icon, Ashmead and Shongwe. The purpose of these entities is to hold exploration licences in Botswana. Costs incurred in these entities is capitalised as exploration assets. Other comprehensive income attributable to non-controlling interests was US\$ nil (2023: US\$ nil).

26. FINANCIAL INSTRUMENTS
(A) CATEGORIES OF FINANCIAL INSTRUMENTS

	Group 31 Dec 2024 US\$'000	Group 31 Dec 2023 US\$'000	Company 31 Dec 2024 US\$'000	Company 31 Dec 2023 US\$'000
Financial assets				
<i>Financial assets at amortised cost:</i>				
Other receivables	355	637	287	637
Cash and cash equivalents	1,105	3,393	580	3,205
Loan receivables	571	–	571	–
Loans to subsidiaries	–	–	23,384	14,223
	2,031	4,030	24,822	18,065
<i>Financial assets at fair value through profit or loss:</i>				
Interest in listed securities	418	378	418	378
Total financial assets	2,449	4,408	25,240	18,443

	Group 31 Dec 2024 US\$'000	Group 31 Dec 2023 US\$'000	Company 31 Dec 2024 US\$'000	Company 31 Dec 2023 US\$'000
Financial liabilities				
<i>Financial liabilities at amortised cost:</i>				
Trade and other payables	690	587	344	369
Deferred consideration	–	681	–	681
	690	1,268	344	1,050

There is no material difference between the carrying value and fair value of the Group's and Company's cash balances, other receivables, loans receivables, loans to subsidiaries and trade and other payables because of their short maturities.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**26. FINANCIAL INSTRUMENTS (continued)****(B) FAIR VALUE HIERARCHY**

Some of the Company's financial assets are measured at fair value at the end of each reporting period. Valuation techniques in determining the fair values are divided into three levels based on the quality of inputs.

There were no transfers between fair value hierarchies in the year ended 31 December 2024 (2023: none).

Level 1 – Quoted market prices

Fair value is determined by reference to unadjusted quoted prices for identical assets and liabilities in active markets where the quoted price is readily available.

The following financial assets are recognised in these financial statements at fair value through profit or loss and are classified within the Level 1 category:

	Group and Company 31 Dec 2024 US\$'000	Group and Company 31 Dec 2023 US\$'000
Interest in listed securities	418	378

Level 2 – Valuation techniques using observable inputs

Fair value is determined using inputs other than quoted prices included in Level 1 that are observable, directly or indirectly.

Level 3 – Valuation techniques using significant unobservable inputs

Fair value is dependent on significant inputs that are unobservable.

As at 31 December 2024, the Company and Group had no financial instruments carried at fair value where the fair value is estimated using Level 2 or Level 3 inputs.

(C) RISK MANAGEMENT

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training, management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The main financial risks arising from the Group's and Company's financial instruments are market risk, credit risk and liquidity risk.

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. This risk comprises currency risk, interest rate risk and equity price risk.

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises on financial instruments that are denominated in a different currency to the entity's functional currency in which they are measured. Currency risk is monitored on a regular basis.

The net carrying amount of financial instruments split by currency are set out below:

Group	31 Dec 2024			31 Dec 2023		
	GBP US\$'000	USD US\$'000	BWP US\$'000	GBP US\$'000	USD US\$'000	BWP US\$'000
Cash and cash equivalents	404	563	138	3,027	304	62
Trade and other receivables	933	-	370	637	-	387
Trade and other payables	(61)	-	(66)	(132)	-	(109)

**NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**
26. FINANCIAL INSTRUMENTS (continued)

Company	31 Dec 2024			31 Dec 2023		
	GBP US\$'000	USD US\$'000	BWP US\$'000	GBP US\$'000	USD US\$'000	BWP US\$'000
Cash and cash equivalents	404	176	–	1,084	1	–
Trade and other receivables	933	–	–	637	–	–
Loan to subsidiaries	23,387	–	–	12,442	–	–
Trade and other payables	(61)	(14)	–	(132)	(1)	–

The Group's and Company's exposure to foreign currency risk arises only from monetary financial instruments that are denominated in a different currency to the entity's functional currency in which they are measured, which is trivial for the Group.

Gains and losses on the intercompany funding loans between the UK and Botswana are capitalised as part of the exploration and evaluation intangible assets and therefore there is no exposure for the Group as whole. Exposure to currency risk from other financial instruments is immaterial.

(ii) Interest rate risk

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in interest rates. The exposure to this risk is not considered as the Company and Group have no floating rate external borrowing and are not relying on interest income for funding.

(iii) Equity price risk

The Group and Company are exposed to the equity price risk through their investments in ordinary shares of Power Metals and shares to be issued in Pambili with total carrying value of US\$ 418,000 at of 31 December 2024 (2023: US\$ 378,000). Securities markets fluctuate, frequently on basis of uncontrollable macroeconomic and geopolitical developments. In addition, there can be developments within a public company that can affect its market valuation. The Directors review public announcements released by Power Metals and Pambili and monitor the liquidity of their shares to mitigate the financial impact of a sudden depreciation in their value.

CREDIT RISK

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at 31 December 2024 is detailed below:

For the Group, credit risk arises primarily from cash balances held at banks and loan receivables. The risk in relation to cash balances is mitigated by using only reputable financial institutions with a high credit rating. The Group's exposure to the amounts due from shareholder is discussed in note 22 and the loan receivables are detailed in note 15.

The Company is additionally exposed to credit risk on the intercompany balances with its subsidiaries. The recoverability of these balances is linked directly to the success of the exploration activities of the Group. As discussed in note 13, no impairment indicators exist on the exploration assets and thus the balances are deemed to be recoverable.

The Group and Company do not hold any collateral as security.

LIQUIDITY RISK

Liquidity risk arises from the possibility that the Company and its subsidiaries might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Company manages this risk by monitoring its financial resources and carefully planning its exploration expenditure programmes. The Group is dependent upon equity fundraisings to manage its liquidity risk.

With the exception of the convertible loan notes detailed in note 21, the Group and Company have no external borrowings (2023: none) and all their liabilities are due within six months. The convertible loan notes have a contractual maturity falling within 6 to 12 months of the year-end, with maximum cash redemption amount of US\$ 5,112,000. The convertible loan notes were converted into ordinary shares of the Company in January 2025.

(D) CAPITAL RISK MANAGEMENT

The Board's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, to enable the Group to continue its exploration and evaluation activities, and to maintain an optimal capital structure to reduce the cost of capital. The Company and Group have no external borrowing and thus capital consists entirely of equity.

NOTES TO THE FINANCIAL STATEMENTS
CONTINUED**27. COMMITMENTS**

The Group's licence expenditure commitments are:

	31 Dec 2024 US\$'000	31 Dec 2023 US\$'000
Within 12 months	272	–
Years 2–5	117	510
Total	389	510

As at 31 December 2024 the Group had \$163,537 (2023: US\$ nil) contractual commitments with either geophysics or drilling companies and no contingent liabilities (2023: US\$ nil). The Group can cancel its option agreements in Zimbabwe with no penalty.

28. RELATED PARTY TRANSACTIONS

Key management personnel consists of Company directors.

KEY MANAGEMENT PERSONNEL COMPENSATION

	Group 31 Dec 2024 US\$'000	Group 31 Dec 2023 US\$'000 (restated*)	Company 31 Dec 2024 US\$'000	Company 31 Dec 2023 US\$'000 (restated*)
Short-term employee benefits	611	532	563	484
Post-employment benefits	3	3	3	3
Share-based payment expenses	99	437	99	437
	713	972	665	924

* The comparative balances for the year-ended 31 December 2023 have been restated to correct for an overstatement of the share based payment charge attributable to directors and to include remuneration of directors received from subsidiaries.

Short-term benefits disclosed above include US\$ 94,000 (2023: US\$ 76,000) of annual bonuses which were accrued at year end and included within other payables.

TRANSACTIONS WITH OTHER RELATED PARTIES

Technical, consulting and administrative services were provided to Kavango Minerals (Pty) Ltd by 3D Exploration Limited, a technical company majority-owned by Hilary Gumbo who is a Director of Kavango Minerals (Pty) Ltd. The total fees billed by 3D Exploration during the year were US\$ 156,000 (2023: US\$ 69,000) and the transaction was carried out at arms-length.

Communication services were provided by Dynamic Investor Relations Ltd, a communications company majority-owned by Mathew Benjamin Turney who is a director of Kavango Resources Plc. The total fees billed by Dynamic Investor Relations Ltd during the year were US\$ 31,000 (2023: US\$ 48,000) and the transaction was carried out at arms-length.

The Group incurred geological consultancy costs of US\$ 47,000 (2023: US\$ 143,000) provided Jeremy S Brett International Consulting Ltd, a consulting company owned by Jeremy S Brett whilst he was a director of Kavango Resources Plc. The transaction was carried out at arms-length.

The Group incurred corporate consultancy costs of US\$ nil (2023: US\$ 108,000) provided by Peter Wynter Bee, a non-executive director of the Company. The transaction was carried out at arms-length and the amount remains outstanding as at 31 December 2024 and is included within trade payables.

During the year-ended 31 December 2024, Peter Wynter Bee and Mathew Benjamin Turney subscribed for 16,750,000 and 2,000,000 shares in the Company respectively as part of the May fundraise (note 22). In addition, Donald McAlister subscribed to 400,000 shares in the Company.

During the year-ended 31 December 2024, Peter Wynter Bee subscribed for a total of 1,200,000 convertible loan notes issued by the Company. The transaction was at arms-length and the terms of the convertible loan notes are detailed in note 21. As at 31 December 2024, the outstanding amount on the convertible loan notes due to Peter Wynter Bee was US\$ 1,503,000 including US\$ 11,000 of accumulated interest.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

28. RELATED PARTY TRANSACTIONS (continued)

TRANSACTIONS WITH COMPANY SUBSIDIARIES

During the year ended 31 December 2024, Navassa Resources Ltd ("Navassa"), an intermediate holding company was liquidated. As the part of the liquidation process, Navassa's loan receivable from and equity holding in Kavango Minerals (Pty) of US\$ 1,879,000 and US\$ 28,000 respectively were transferred to the Company. The Company recognised an impairment charge of US\$ 118,000 (2023: US\$ 406,000) as part of liquidation process.

During the year the Company advanced funds to Kavango Minerals (Pty) Limited totalling US\$ 707,000 (2023: US\$ 1,608,000). The total loan outstanding as at 31 December 2024 was US\$ 10,270,000 (2023: US\$ 7,903,000). A loss on foreign exchange of US\$ 219,000 (2023: gain of US\$ 335,000) was included in the Company's other comprehensive income.

During the year the Company advanced funds to Kanye Resources (Pty) Ltd totalling US\$ 2,774,000 (2023: US\$ 1,231,000). The total loan outstanding as at 31 December 2024 was US\$ 7,173,000 (2023: US\$ 4,539,000). A loss on foreign exchange of US\$ 140,000 (2023: gain of US\$ 147,000) was included in the Company's other comprehensive income.

During the year the Company advanced funds to Kavango Zimbabwe (Private) Limited totalling US\$ 4,302,000 (2023: US\$ 466,000). The total loan outstanding as at 31 December 2024 was US\$ 4,660,000 (2023: US\$ 466,000).

During the year ended 31 December 2023, as part of the acquisition Ashmead Holdings (Pty) Ltd and Icon-Trading Company (Pty) Ltd, the Company acquired intercompany receivables from these two entities of US\$ 436,000 and US\$ 880,000 respectively. During the year ended 31 December 2024, the Company advanced further funds of US\$ 102,000. The total loan outstanding as at 31 December 2024 was US\$ 1,393,000 (2023: US\$ 1,316,000).

29. EVENTS AFTER THE REPORTING DATE

On 28 January 2025 the Company published an FCA-approved prospectus and raised gross proceeds of £6,566,000 (US\$ 8,160,448) by issuing 938,028,569 shares at 0.7 pence per share. The principal and outstanding interest on the convertible loan notes was also converted into 547,995,076 shares at 0.7 pence per share.

Details of warrants that expired after the year end are included in note 24.

On 7 April 2025, the outstanding loan receivable from Pambili of US\$172,000 (£136,000) and the short-term working capital advance US\$ 68,000 (£53,000) were refinanced into a convertible loan note. The convertible loan note is for a term of 12 months and is convertible into conversion units ("Units") priced at C\$0.05 per Unit. Each Unit comprises one Pambili common share and one-half of one common share purchase warrant (each whole being a "CLN Warrant"). Each CLN Warrant will entitle the Company to acquire one common share at a price of C\$0.10 per share for a period of 12 months following conversion notice.

On 22 April 2025, Kavango Resources Plc announced that it had entered into a US\$5 million convertible loan facility with a consortium of Zimbabwe-registered pension funds. The loan is interest-free, can be drawn down in three tranches, and is convertible into new ordinary shares at the USD equivalent of 1 penny per share. Kavango intends for these shares to be listed on the Victoria Falls Stock Exchange in Zimbabwe, as part of its planned referral listing.

30. ULTIMATE CONTROLLING PARTY

Purebond Limited is the ultimate controlling party of Kavango Resources Plc.

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