

This announcement contains inside information for the purposes of Regulation 11 of the Market Abuse (Amendment) (EU Exit) Regulations 2019/310. With the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

15 October 2024

Kazera Global plc
("Kazera" or "the Company")
Perdevlei Heavy Mineral Sands

Kazera Global plc (AIM: KZG), the AIM-quoted investment company, is pleased to announce that its subsidiary, Whale Head Minerals (Pty) Ltd ("WHM"), has been requested by the Department of Mineral Resources and Energy ("DMRE") to furnish a guarantee in respect of its obligations to rehabilitate the mining area covered by its application for a Mining Right.

The application for a Mining Right is for an area called 2a or Perdevlei which covers circa 3,095 hectares, of which approximately 170 hectares contain high heavy mineral sands ("HMS") deposits suitable for immediate mining. Perdevlei is a short distance north of WHM's current Walviskop HMS project of 5 hectares. The Company believes the richness of the HMS deposit at Perdevlei to be at least as good as that at Walviskop and, like Walviskop, the HMS are constantly replenished by wind and tidal action.

Due to WHM's knowledge of the Perdevlei area and its confidence in its ability to mine HMS in the region, it has elected to apply for a Mining Right for the concession, rather than adopting the traditional route of applying for a Prospecting Right and then, after a period of mapping, drilling and sampling, apply for a Mining Right to the site. The Company believes that this approach best aligns with its objective to grow the company and create shareholder value on an accelerated timescale.

As such, the Company can confirm that WHM has been requested by the DMRE to provide a guarantee for its obligations under the Mining Right. This guarantee ensures that sufficient funds are available to undertake rehabilitation and remediation of any adverse environmental impacts of mining activities, both during the life of the mine and at closure. This is a requirement under South Africa's National Environmental Management Act ("NEMA") and to meet this obligation the Company has purchased an insurance, which is standard practice across the mining industry.

The DMRE now has a defined period in which to review WHM's application and issue the Environmental Authorisation ("EA"). If this process is successful, the EA is expected to be issued by the end of January 2025 following which there is a 21 day period for interested and affected parties to lodge any appeals before the Mining Right can be granted. If so granted, WHM will immediately be entitled to commence the extraction and sale of HMS on the Perdevlei concession.

To fund the insurance policy required under NEMA, the Company has entered into a short term loan agreement (the "Loan Agreement") with one of its largest shareholders, Tracarta Limited, pursuant to which it has agreed to provide the Company with an unsecured term loan of £45,000.

Dennis Edmonds, Chief Executive Officer of Kazera Global plc commented: *"The request for the Environmental Guarantee is an enormously encouraging step in our progress towards obtaining a Mining Right. With our Walviskop heavy mineral sands project expected to be generating revenue imminently, the timing of this could not be better.*

"During the last few years we have accumulated a great deal of knowledge on the quality of the heavy mineral sands in the Alexander Bay area and how best to mine and process them. We believe that Perdevlei, containing HMS deposits of over 30 times those of Walviskop, offers us the opportunity to scale up our heavy mineral sands business to make us a significant operator in the region.

"I would like to thank Tracarta for making funds available to allow us to progress with the Mining Right application, without putting pressure on existing cash resources as we move towards cash generation."

Principal terms of the Loan Agreement

The principal terms of the Loan Agreement are as follows:

- **Loan** - The loan is for a capital amount of £45,000 plus an arrangement fee of £4,000
- **Interest** - Interest will accrue on the Loan at a fixed rate of 8%, irrespective of early repayment of the Loan
- **Term** - The Loan is repayable, together with interest, on or before 31 March 2025

Related Party Transaction

Kazera is entering into the Loan Agreement with Tracarta Limited, which is a significant shareholder in the Company, as such term is defined in the AIM Rules for Companies. Additionally, Dr John Wardle, Non-Executive Chairman of Kazera is the shareholder of Tracarta Limited. Accordingly, entering into the Loan Agreement with Tracarta constitutes a related party transaction under Rule 13 of the AIM Rules for Companies.

As such, the Directors of the Company, excluding Dr John Wardle, consider, having consulted with Cavendish Capital Markets Limited, the Company's Nominated Adviser, that the terms of the Loan Agreement with Tracarta Limited are fair and reasonable insofar as the Company's shareholders are concerned.

****ENDS****

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About Kazera Global plc

Kazera is a global investment company focused on leveraging the skills and expertise of its Board of Directors to develop early-stage mineral exploration and development assets towards meaningful cashflow and production. Its three principal investments are as follows:

Alluvial diamond mining through Deep Blue Minerals (Pty) Ltd, Alexander Bay, South Africa

Kazera currently has a 100% direct interest in Deep Blue Minerals, of which 74% is held beneficially by Kazera and 26% is held on behalf of Black Economic Empowerment partners.

Heavy Mineral Sands mining (including ilmenite, monazite, rutile, and zircon) through Whale Head Minerals (Pty) Ltd, Alexander Bay, South Africa

Kazera currently has a 70% direct beneficial interest in Whale Head Minerals together with the benefit of a loan facility entitling it to receive approximately £38m out of dividends from the other shareholders.

Tantalite mining in South-East Namibia (divestment in progress)

As announced on 20 December 2022, Kazera has agreed to dispose of African Tantalum (Pty) Ltd ("Aftan") for a cash consideration of US 13 million plus a debenture payment of 2.5% of the gross sales of produced lithium and tantalum for life-of-mine. Completion of the sale is subject to receipt of full consideration proceeds. Aftan has been deconsolidated from the Company's financial statements with effect from 4 January 2023 because in accordance with the terms of the sale agreement, it has relinquished control of the Aftan in favour of the purchaser, Hebei Xinjian Construction Close Corp ("Hebei Xinjian") with effect from that date. Kazera retains the right to cancel the transaction and retain all amounts paid to date in the event of default by Hebei Xinjian. The Company is now instituting legal proceedings against Hebei for payment of the balance due to it.

The Company will consider additional investment opportunities as appropriate, having regard to the Group's future cash flow requirements.

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