

PRESS RELEASE

22 November 2024

KAVANGO RESOURCES PLC

("Kavango" or "the Company")

ZIM -- High-Grade Gold Opportunity at Prospect 4

Kavango Resources plc (LSE: KAV), the Southern Africa focussed metals exploration company is pleased to announce its plan to increase high-grade gold production at Prospect 4 ("Prospect 4"), at the Hillside Project ("Hillside") in Matabeleland, southern Zimbabwe.

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. Volumes are currently low and Kavango believes there is significant scope to increase high-grade gold production at Prospect 4.

To this end, Kavango has identified an experienced South African manufacturer to commence work on designing a gold production plant (the "Plant"), with the capacity to process a minimum 100 tonnes per day ("t/d") and maximum 200t/d of mineralised material.

The 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 Technical Economic Assessment ("TEA") studies at Prospect 4 support the installation of a larger production plant.

Highlights

- Kavango has conducted preliminary exploration over Prospect 4. Highlights include:
 - Hole SKDD001 returned 2.53m @ 29.08 grammes per tonne ("g/t") gold from 97.47m, associated with visible gold (peak grade of 212.07g/t over 0.34m) ([announced >>>15th April 2024](#)).
 - Assays from 582 surface soil samples collected over 1.5km² returned a peak value of 8.21g/t, with 19 samples returning grades >0.5g/t ([announced >>> 19 August 2024](#)).
 - Ongoing geological mapping has tracked increased artisanal and small-scale workings over the area, with at least 8 mineralised vein shears currently being mined. Kavango's senior geologists have observed visible gold in surface stock piles from 4 of these vein shears.
- Current high-grade gold production is carried out by small-scale miners, under contract with Kavango Mining. Production is constrained by the mining methods used, the distance by road to Kavango's processing facility at Hillside, and the Hillside processing facility's maximum production capacity of 40-50 t/d.
- To increase high-grade gold production at Prospect 4, Kavango has identified a South African manufacturer to commence work on designing the Plant.
- Further exploration drilling at Prospect 4 to commence in the New Year.
 - 4 holes planned from 500m to 600m in depth to test the continuity and depth extent of visible gold bearing quartz-vein shears
 - Currently more than 12 sub parallel vein sets have been identified

Ben Turney, Chief Executive of Kavango Resources, commented:

"Following our recent announcement of resource drilling at Prospect 3, we continue at a fast pace of development at the Hillside Gold Project with plans for an underground high-grade gold operation at Prospect 4.

We have high hopes for the next phase of drilling at Prospect 4. We've identified 12 sub parallel vein sets, intersected a 2.53m mineralised section grading at 29.08g/t in Hole SKDD001 and have conducted extensive surface sampling that has returned very positive results.

Once we have finished drilling at Prospect 3, we will mobilise the two rigs to Prospect 4 to conduct the next phase of exploration there. As well as assay tests, we intend to complete metallurgical test work on core samples from the next four holes. Our goal

will be to use this data to guide the Technical Economic Assessment (TEA) for this project.

Given the amount of current high-grade small-scale mining at Prospect 4, we will work on the specification for a more advanced processing plant in parallel to exploration. We are confident production at Prospect 4 can sustain a minimum 100t/d plant and potentially a 200t/d plant in the near-term.

Our plan is then to use free cash flow generated through the new processing plant to pay for the TEA. If results are favourable, the final TEA for Prospect 4 could provide a blueprint for substantially higher gold production for Kavango.

We look forward to providing more updates in the New Year."

Plan to accelerate gold production at Prospect 4

Prospect 4 is located 13km directly north of the main Hillside Project area (20km by road). There are currently 4 contract miners extracting high-grade gold mineralisation on a small-scale basis from narrow vein shears at Prospect 4. Under the terms of the contract with Kavango Mining, the contract miners are required to deliver ore mined at Prospect 4 to the Company's current processing facility at the main Hillside Project area. Kavango believes there is opportunity to make significant improvements to gold production at Prospect 4, by introducing modern mechanised mining methods and a contemporary processing facility.

To this end, Kavango has commissioned an experienced South African manufacturer to commence work on designing the Plant at Prospect 4. Should exploration at Prospect 4 meet the Company's expectations, and Kavango moves to building and installing the Plant, Kavango believes the Plant could act as a "stopgap", ahead of much larger-scale mechanised mining at Prospect 4 following TEA study work.

Kavango believes the economic potential at Prospect 4 is substantial based on the significant grade intercepts in hole SKDD001, the extensive nature of the contract artisanal workings completed to date, and the visible gold witnessed in ore at surface. Kavango estimates that the artisanal and small-scale workings extend less than 30m below the surface leaving the mineralised zone extensions at depth untouched.

Table 1: Significant intersections from borehole SKDD001

Hole_ID	m From	m To	m Interval	Gold g/t
SKDD001	97.47	97.81	0.34	212.07
SKDD001	99.00	100.00	1.00	1.09
SKDD001	214.46	215.18	0.72	1.18
SKDD001	215.18	215.78	0.60	2.54

*All thicknesses are downhole intersection thicknesses.



Figure 1: Artisanal miners working two parallel mineralised quartz-vein shears, <5m apart





Figure 2: Photographs of each of the two artisanal workings shown above in Figure 1. Each of the workings is between 0.5m and 1m in width and follow the mineralised quartz-vein shears.

Further exploration drilling at Prospect 4

Current artisanal workings at Prospect 4 are focussed on the most western zone and target 8 sub-parallel, closely spaced vein sets that are 4m-10m apart. Kavango's senior geologists observed visible gold in grab samples taken from 4 of the vein shears ("reefs") on a recent field visit.

Contract small-scale mining activity at Prospect 4 is extensive with a strike length of well over 1km (including both the western and eastern zones), with the western zone having a strike length of approximately 400m. The small-scale workings are estimated to extend to depths of up to 30m.

Kavango's next planned activity at this site is to drill 4 diamond drill holes up to 600m long to pass under the vertical extent of the small-scale workings, and to pass through all the sub parallel vein sets (potentially up to 12). The objectives of this drill program are:

1. To confirm grade continuity and extensions of the reefs both at depth and along strike.
2. To understand better the geological environment and controls on the economic gold grade, and
3. To gather samples for metallurgical and geotechnical test work.

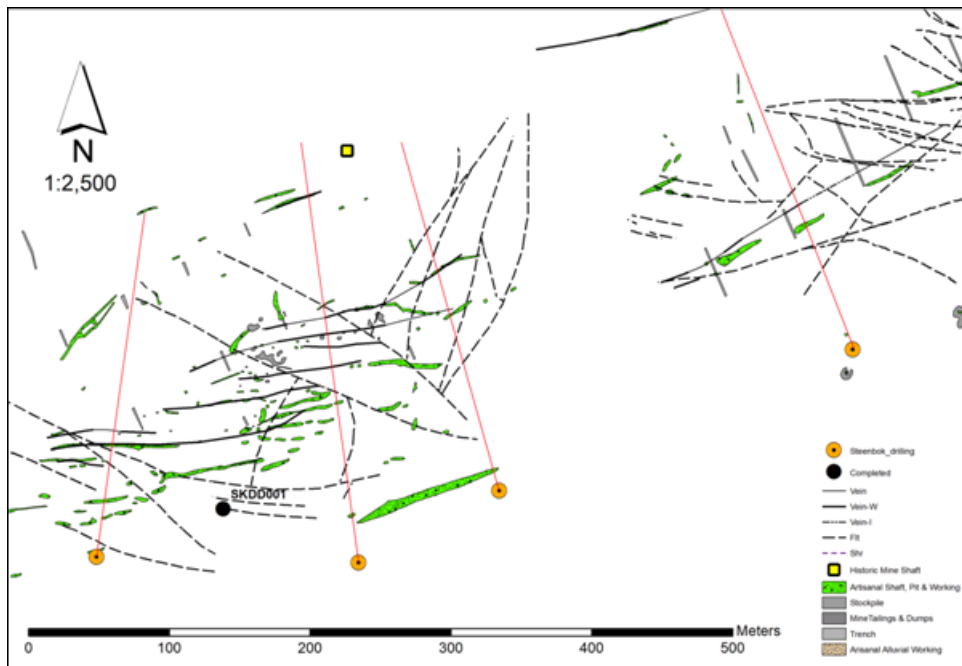


Figure 3: Map of Prospect 4 showing structural features together with artisanal workings, completed borehole and proposed boreholes for initial phase of the TEA study.

Development of a gold processing plant at Prospect 4

Transportation of extracted mineralisation produced at Prospect 4 to the Hillside processing facility (20km away by road) has proven to be inconsistent, unreliable, and problematic. Processing capacity at Hillside is also limited to circa 40t/d-50t/d maximum.

Given the apparent economic potential at Prospect 4 and current level of mining here, Kavango believes the new Plant will

resolve these production bottlenecks. The Plant will be designed to process extracted mineralised material produced by the contract small-scale miners employed at the site. The design will be guided by a metallurgical test work program completed on the samples taken from the forthcoming drill program, together with bulk samples taken from artisanal workings.

The Plant will increase cashflow from artisanal extracted mineralised material as soon as is possible and contribute to the funding of a TEA study to evaluate the potential for larger scale mechanised underground mining and processing operations at Prospect 4.

Kavango believes it is likely the TEA study and full mechanised mining plan for Prospect 4 will potentially require a much larger scale Carbon In Pulp ("CIP") plant in future, therefore the initial small scale Plant will be of a modular design so that it easily and cheaply be relocated to other projects within Kavango's inventory of projects at a future date.



Figure 4: Illustrative layout of 100t/d CIP gold processing plant

Plan to open first underground exploration decline at Prospect 4

The Prospect 4 site is characterised with steep and rough terrain. Additionally, there are many artisanal voids open to the surface, which would make a surface drilled only resource definition drill program difficult and costly to complete.

To resolve this, and should exploration results continue to be positive, Kavango expects to open a first underground exploration decline at Prospect 4 (the "Underground Decline"). The Underground Decline would be used for exploration and potential resource definition drilling at Prospect 4 to aid future mining operations.

Results from the forthcoming exploration drill program at Prospect 4 will guide the design and development of the Underground Decline. Should Kavango commission it, the Underground Decline will allow further exploration and definition drilling together with initial grade control drilling to be completed in a timely and cost-effective manner, from multiple underground drill positions.

A resource definition drill program will be necessary as part of any further TEA studies for the creation of a high confidence mine plan and schedule. It is anticipated a much larger CIP plant will be necessary for to develop the full economic potential at Prospect 4.

The slope of the terrain at Prospect 4 combined with the low amount of unconsolidated and oxidised cover affords the project an opportunity to develop a small box-cut with quick vertical advancement via decline development. Geotechnical logging and observation of the ground conditions within the artisanal workings appear to show favourable ground conditions. The Underground Decline will be designed in a manner that it can be utilised in future as the primary mine access and production haulage route should a larger scale mechanised underground mining operation prove viable from the results of the TEA study.

Subject to drill results in the next phase of exploration, Kavango expects to commence work on the Underground Decline at Prospect 4 in H1 2025.

Kavango's Operations in Zimbabwe

Kavango is exploring for gold deposits in Zimbabwe that have the potential to be brought into production quickly through modern mechanised mining. The Company is targeting both open-pit and underground opportunities.

Currently, Kavango has two projects on the same greenstone belt, Hillside and Nara.

Kavango exercised its option to acquire Hillside in April 2024. Here the Company has two high-priority targets that it hopes to bring into production over the next 18 months; Prospect 3 and Prospect 4. At Prospect 3 Kavango is investigating the

potential for an open-pit selective bulk mining operation. Meanwhile, at Prospect 4 Kavango is pursuing a high-grade, underground bulk-minable opportunity.

In parallel to this, Kavango has an option to acquire the Nara Project that currently runs until the end of June 2025. Here, the Company is exploring for a large-scale, bulk-minable underground deposit at Nara. The primary target zone is around the historic N1 mine, where the Company is assessing the potential to expand artisanal workings at depth and along strike.

Further information in respect of the Company and its business interests is provided on the Company's website at www.kavangoresources.com and on Twitter at #KAV.

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Kavango Competent Person Statement

The technical information contained in this announcement pertaining to mining has been compiled by Mr Craig Hatch, a Competent Person and a member of a Recognised Professional Organisations (ROPO). Craig Hatch has sufficient experience that is relevant to the style of mining and type of deposit under consideration and to the activities being proposed to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC 2012). Craig is the Principal Mining Engineer of Minorex Pty Ltd and a consultant to Kavango Resources and is a member of the Australasian Institute of Mining and Metallurgy (AusIMM), a recognised professional organisation.

The technical information contained in this announcement pertaining to geology and exploration have been compiled by Mr David Catterall, a Competent Person and a member of a Recognised Professional Organisations (ROPO). David Catterall has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC 2012). David is the principal geologist at Tulia Blueclay Limited and a consultant to Kavango Resources. David Catterall is a member of the South African Council for Natural Scientific Professions, a recognised professional organisation.

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