

PRESS RELEASE

22 April 2025

**KAVANGO RESOURCES PLC**

("Kavango" or "the Company")

**ZIM: US 5m CLN secured from Zimbabwe Pension Funds**

Kavango Resources plc (LSE: KAV), the Southern Africa focussed mine development and metals exploration company, is pleased to announce that it has issued a US 5million convertible loan note facility (the "Convertible") to a consortium of Zimbabwe registered pension funds (the "Consortium").

The Convertible is interest free can be drawn down in three tranches by Kavango and is convertible into new ordinary shares in Kavango at a conversion price of the USD equivalent of 1p per share (the "Conversion Shares"). The Company intends that the Conversion Shares issued under the Convertible will be issued to the Victoria Falls Stock Exchange ("VFEX"), as part of the Company's planned referral listing. The VFEX is a US Dollar based stock exchange. A further update will follow concerning the VFEX referral listing.

**Ben Turney, Chief Executive of Kavango Resources, commented:**

*"We are delighted to have secured this US 5million investment facility from the Comarton Managed Pension Funds Investments Consortium. A key driver of our strategy in Zimbabwe is to promote local shareholder ownership. The country's goldfields are incredibly rich, and it is important that citizens are offered the opportunity to participate in their future success, through long-term equity investment.*

*Today's announcement sends a strong message that Zimbabwe is open for business. We look forward to this investment acting as a cornerstone for our introduction to the Victoria Falls Stock Exchange a little later this summer.*

*The Consortium is an influential group of individual pension funds in Zimbabwe that collaborates on investments. Twenty-eight consortium members have the mandate to invest in equities and have indicated their intention to participate in the Kavango investment facility.*

*As part of a rigorous due diligence, several consortium members and members of the investment committee conducted site visits to review the Kavango's gold projects. It reflects the strong progress our team has made, in less than two years of operations in Zimbabwe, that we successfully passed this process.*

*We now intend to use the Comarton funds for mine development and construction of our first gold processing plant. Kavango currently aims to bring Prospects 1, 3 and 4 at the Hillside Project into production over the next 12 months, using modern mechanised mining.*

*The Consortium's backing of Kavango is a powerful endorsement of the Company's business model and we look forward to building on this relationship in the coming years."*

**Richard Muirimi, the Group Managing Director of Comarton Consultants (Private) Limited (Comarton) commented:**

*"The Consortium is excited at having secured a partner to walk with in their fourth investment quadrant: the mining sector, having already successfully executed on the: targeted Property sector, Tourism and Agriculture sectors.*

*This partnership with Kavango answers to the key Consortium investment focus of bedding the actual asset in hard currency, benefiting from potential capital growth, generation of long term hard currency free cash flows and contributing to the development of sustainable businesses that create employment and other benefits for Zimbabwean citizens.*

*With a firm focus on ensuring all the four quadrants generate hard currency cash flows, this partnership will contribute to the enhancement of the payment of hard currency quarterly USD pensions on the Comarton portfolio being implemented from 1 January 2025.*

*We have found Kavango: a professional entity, accommodative to the local realities, adaptive and sensitive to local traditions/practices as to set a firm foundation for collaborative partnership for the benefit of; members of our pension funds, all shareholders and Zimbabwe at large."*

**Convertible Loan Note Structure**

The Consortium's agent and administrator is Comarton Consultants (Private) Limited, which has signing authority on

behalf of the Consortium.

The Convertible is interest free and subject to Kavango maintaining good standing of the agreement with Comarton. The Convertible can be drawn down by the Company over a twelve-month period in three tranches.

- **Tranche 1**

At least US 500,000, paid in US Dollars and to be drawn down immediately for mine development in Zimbabwe.

- **Tranche 2**

US 1,500,000 equivalent paid through conversion of Zimbabwe Gold, the official currency of Zimbabwe ("ZWG"), into US Dollars at the Bank of England's exchange rate via the Reserve Bank of Zimbabwe to be drawn down over the next 12 months for the import of mining equipment for Kavango into Zimbabwe.

- **Tranche 3**

US 3,000,000, paid in US Dollars and to be drawn down over the next 12 months for mine development in Zimbabwe.

All funds raised through the Convertible will be used for mine development in Zimbabwe and for the import of mining equipment into Zimbabwe.

All Conversion Shares will be issued at a price of 1p per share, with the USD/GBP exchange rate calculated on the mid spot price as quoted by the Bank of England at 1630GMT/BST, on the working day of receipt of a conversion notice (or next working day if received after 1630GMT/BST).

Conversion of the Convertible into the Conversion Shares is automatic on satisfaction, or waiver by the Company, of certain conditions precedent, including the planned VFEX referral listing.

Conversion Shares will be issued directly to participating Consortium members on a pro-rata basis and admitted to trading on the VFEX, once the Company has secured its referral listing. A separate announcement on Kavango's planned referral listing on the VFEX will be issued shortly.

#### **Kavango's Operations in Zimbabwe**

Kavango is exploring for gold deposits in Zimbabwe that have the potential to be brought into production by the Company 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. At Hillside, 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 a selective open-pit mining operation and higher-grade mechanised underground mine. Meanwhile, at Prospect 4 Kavango is pursuing a high-grade mechanised underground mining option.

In parallel to this, Kavango has an option to acquire the Nara Project that currently runs until the end of June 2025. The Company is exploring for; large-scale, high-grade mechanised underground mining opportunities 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](http://www.kavangoresources.com) and on Twitter at #KAV.

[For further information please contact:](#)

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