

**REPORT AND VALUATION
TRIBAL GRAZING LAND LEASE
GAME RANCH NO. NN-33, AREA 4B RANCHES, BOTETI
DISTRICT**

INDEX

ITEM	SECTION HEADING	PAGE NUMBER
1.	INTRODUCTION	2
2.	INSTITUTIONAL CHARACTERISTICS	2
2.1	TITLE	2
2.1.1	TITLE DEED RESTRICTIONS	2
2.2	REAL SECURITIES	2
2.3	TENANCY INFORMATION	2
2.4	PLANNING AND USE	2
3.	PHYSICAL CHARACTERISTICS	3
3.1	SIZE AND PROPORTION	3
3.2	GEOLOGICAL CHARACTERISTICS	3
4.	SERVICES	3
5.	ON-SITE IMPROVEMENTS	3
6.	BUILDINGS	3
6.1	SIZE	3
6.2	AESTHETICS	3
6.3	FUNCTIONAL EFFICIENCY AND OBSOLESCENCE	4
6.3.1	INTERNAL SPACE ARRANGEMENT	4
6.3.2	RELATION OF PROPERTY TO BUILDINGS	4
6.3.3	MECHANICAL EQUIPMENT	4
6.4	DURABILITY	4
7.	LOCATIONAL CHARACTERISTICS	4
7.1	MOVEMENT NETWORK	4
7.2	EXPOSURE NETWORK	4
7.3	LAND USE ENVIRONMENT	4
7.4	PSYCHOLOGICAL AND SOCIO-ECONOMIC ENVIRONMENT	5
7.5	SENSORY ENVIRONMENT	5
7.6	CLIMATIC CONDITIONS	5
7.7	OPTIMALITY OF LOCATION	5
8.	CURRENT MARKET VALUE	5
9.	CURRENT FORCED SALE VALUE	5
10.	INSURANCE REPLACEMENT COST VALUE	5
11.	MARKET COMMENTARY	6/7
12.	CAVEATS	7
13.	VALUATION DATE	7

ANNEXURES

- i) EXTRACT FROM TITLE DEED
- ii) TERMS AND CONDITIONS OF VALUATION

**REPORT AND VALUATION
TRIBAL GRAZING LAND LEASE
GAME RANCH NO. NN-33, AREA 4B RANCHES, BOTETI
DISTRICT**

1. INTRODUCTION

We are instructed to form an opinion with regard to the Present **OPEN MARKET AND FORCED SALE VALUATION** of Land and Improvements on certain property being:-

TRIBAL GRAZING LAND LEASE, GAME RANCH NO. NN-33, AREA 4B, BOTETI
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PURPOSE

OPEN MARKET VALUE

2. INSTITUTIONAL CHARACTERISTICS

2.1 TITLE

The property is held under Tribal Grazing Land Lease, for a period of fifty (50) years, commencing on 20th June 2018 and terminating on 19th June 2068.

There is an option to renew this Lease Period for a further fifty (50) years subject to terms and conditions of Lease being met.

The Lessor is Ngwato Land Board and Lessee **SKY WALL (PROPRIETARY) LIMITED**.

2.1.1 TITLE DEED RESTRICTIONS

Refer to the terms and conditions of the Agreement of Tribal Lease and Land Control Act (Act 1 of 2018), Statutory Instrument No. 45 of 2022.

2.2 REAL SECURITIES

We have assumed for the purposes of this valuation the property is unencumbered.

2.3 TENANCY INFORMATION

The Property is owner-occupied.

2.4 PLANNING AND USE

The planning use of the property is Sustainable Agricultural Development & Game Ranch.

**REPORT AND VALUATION
TRIBAL GRAZING LAND LEASE
GAME RANCH NO. NN-33, AREA 4B RANCHES, BOTETI
DISTRICT**

3. PHYSICAL CHARACTERISTICS

3.1 SIZE AND PROPORTION

The area of the Property indicated per Survey Diagram is **3,731.7730 Hectares**

3.2 GEOLOGICAL CHARACTERISTICS

We have not conducted soil analysis, however the typical soil profile at the general site area comprises variants of sand/loam/shale/pans.

4. SERVICES

- Solar Power.
- Sewerage – Septic/Conservancy/Soakaway.
- Equipped Boreholes (3) :
 - 2 x sweet water at approx. 3,000 litre/hour
 - 1 x semi-salty at approx. 2,000 litre/hourwater tested suitable for game/livestock

5. ON-SITE IMPROVEMENTS

- Perimeter Game Fenced – approximately 27.7 Kilometres
- “Tsama Airfield” – CAA Approved
- Boundary and Internal Unpaved Roads (*fire breaks*)
- Water Reticulation, including Tanks and Tank Stands
- Equipped Boreholes, Solar Power, Grunfos Pumps
- Pumped Water Pans (5)
- Hunters Hide

6. BUILDINGS

The buildings comprise a Guest Camp with 3 chalets, kitchen, mess and boma.

The Staff Quarters are located some distance away at an entrance gate.

6.1 SIZE

N/A

6.2 AESTHETICS

N/A

**REPORT AND VALUATION
TRIBAL GRAZING LAND LEASE
GAME RANCH NO. NN-33, AREA 4B RANCHES, BOTETI
DISTRICT**

6.3 FUNCTIONAL EFFICIENCY AND OBSOLESCENCE

6.3.1 INTERIOR SPACE ARRANGEMENT

N/A

6.3.2 RELATIONSHIP OF PROPERTY TO BUILDINGS

N/A

6.3.3 MECHANICAL & ELECTRICAL EQUIPMENT

- Grunfos Solar Powered Borehole Pumps (3)
- Solar Power to Camp
- “Donkey” boiler geyser

6.4 DURABILITY

N/A

7. LOCATIONAL CHARACTERISTICS

7.1 MOVEMENT NETWORK

The property benefits from spatial ties comprising access from an unpaved road network (accessed via CKGR – Matsweri Gate, Rakops, Kedia Village) that facilitate the movement of people, goods, services and information between places separated geographically within the Boteti District. Kedia Village is approximately 60 Kilometres from the Property.

7.2 EXPOSURE NETWORK

7.3 LAND USE ENVIRONMENT

The Property is located within an established Sustainable Agricultural and Game Ranching/Conservancy Zone close the Central Kalahari Game Reserve boundary.

The immediate neighbourhood is homogenous comprising similar property.

The catchment area comprises Cultural, Agro-Tourism, Agriculture and Cattle Ranching.

There is a traditional Bushman Village adjacent that offer cultural activities.

**REPORT AND VALUATION
TRIBAL GRAZING LAND LEASE
GAME RANCH NO. NN-33, AREA 4B RANCHES, BOTETI
DISTRICT**

7.4 PSYCHOLOGICAL AND SOCIO-ECONOMIC ENVIRONMENT

We perceive the location of the property and the general composition of its immediate environment to have positive socio-economic implications.

7.5 SENSORY ENVIRONMENT

We are not aware of any adverse sensory factors such as air, water or soil pollution.

7.6 CLIMATIC CONDITIONS

We have assumed the property is not adversely exposed to normal climactic conditions.

7.7 OPTIMALITY OF LOCATION

It is our opinion that the property has positive locational characteristics, within an established multi-use agricultural/game ranching area, taking into consideration its tributary area, exposure and movement networks.

8. CURRENT OPEN MARKET VALUE

We are of the opinion, subject to the terms and conditions of this valuation and content of this report, that the Current Market Value of the property under present market conditions, based on the assumptions made herein, is in the order of:-

P11,232,000.00	<i>(Eleven Million, Two Hundred and Thirty Two Thousand Pula)</i>
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9. CURRENT FORCED SALE VALUE

P8,985,600.00	<i>(Eight Million, Nine Hundred and Eighty Five Thousand, Six Hundred Pula)</i>
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10. INSURANCE REPLACEMENT COST VALUE

N/A

**REPORT AND VALUATION
TRIBAL GRAZING LAND LEASE
GAME RANCH NO. NN-33, AREA 4B RANCHES, BOTETI
DISTRICT**

11. MARKET COMMENTARY

The Property represents a high-end, well established, stocked Game Ranch with abundant indigenous game and bird species. The habitat is ideal for Game Breeding.

Access to the Game Ranch by road is either via Kedia Village (approximately 60Km) or via Letlhakane through the adjacent cattle ranch / CKGR boundary. The Ranch has an airfield, called "Tsama Airfield".

Population estimates:

(Kudu 80 to 120) - (Gemsbok 100 to 140) - (Eland 100 to 120) - (Impala 200 to 300) -
(Wildebeest 20 to 30) - (Zebra 60 to 80) - (Red Hartebeest 14 to 20) - (Warthog 30 to 50)

Additional Game Species:

Kudu, Wildebeest, Eland, Impala, Red Hartebeest, Warthog, Gemsbok, Steenbok, Duiker, Zebra, Bat Eared fox, Caracal, Jackal and most other small Cats

Animals that frequent the Ranch on regular basis are:

Lion, Leopard, Wild Dog, Cheetah, Elephant, Spotted Hyaena and Brown Hyaena

Various Game Bird Population Providing Incredible Bird Hunting - Guinea fowl, Sandgrouse (several types), Doves, Francolin

EQUIPMENT:

Massy Ferguson Tractor 385, Toyota Landcruiser Game viewer, Trailer, Mower, Pipe Layer, Grader Blade, HF radios.

Plant, Equipment/Machinery and Game

The value of these are **NOT** included in this valuation and a separate schedule is required.

Productivity of the Ranch includes:-

- Eco-Tourism – Bushmen Cultural Activities
- Hunting / Conservation
- Research – Wildlife, Habitat, Geological and Climate
- Wildlife Photography
- Fly-in Safaris
- Camping Safaris
- Tourism

REPORT AND VALUATION
TRIBAL GRAZING LAND LEASE
GAME RANCH NO. NN-33, AREA 4B RANCHES, BOTETI
DISTRICT

VALUATION TERMS AND CONDITIONS

Definitions :-

"Valuation"	An estimate expressed as an opinion of market value, forced sale value or replacement cost value on a specific date and based on certain assumptions, market conditions, terms and conditions.
"Market Value"	The price which a willing buyer will pay to a willing seller in an open and competitive market on a specific date.
"Rental Value"	The rent which a willing lessee will pay to a willing lessor in an open and competitive market on a specific date.
"Forced Sale Value"	The price which a willing buyer will pay to a willing seller in an open and competitive market under circumstances where the sale has to complete within a specific period of time, usually not exceeding a period of three (3) months.
"Replacement Cost Value"	The replacement cost of immovable improvements to the land at current market prices, calculated on a specific date. The cost of land is specifically <u>excluded</u> from such calculations.

Valuation Methodology :-

Comparable Selling Prices The principle of Substitution is applied whereunder it is assumed the buyer would not pay more for the property under consideration than it would cost to purchase a property with similar or identical productivity. Prior to establishing Market Value, evidence is collected, collated and compared in accordance with the following criteria:-

1. productivity characteristics of the property under valuation;
2. bona fide status of comparable evidence;
3. similarity of prevailing market conditions;
4. similarity of financial terms and conditions of sale;
5. identification of the physical attributes of actual property sold.

Income Method Comparable yield rates are utilised, on a similar basis to the comparable selling price method above, in order to arrive at Market Value.

REPORT AND VALUATION
TRIBAL GRAZING LAND LEASE
GAME RANCH NO. NN-33, AREA 4B RANCHES, BOTETI
DISTRICT

Discounted Cash Flow The price paid for a property represents the present value of all future net financial benefits accruing from the property. Our primary focus is on the productivity of the property and therefore external and/or subjective factors are ignored.

Cost Method Market value is determined by establishing the construction cost of improvements at current market costs, less depreciation, expressed as the difference between current construction costs and the market value of existing improvements and adding thereto the current market value of the land as if undeveloped, assuming its probable, legal and economic use.

Assumptions :-

For the purposes of this valuation, we have assumed the following:-

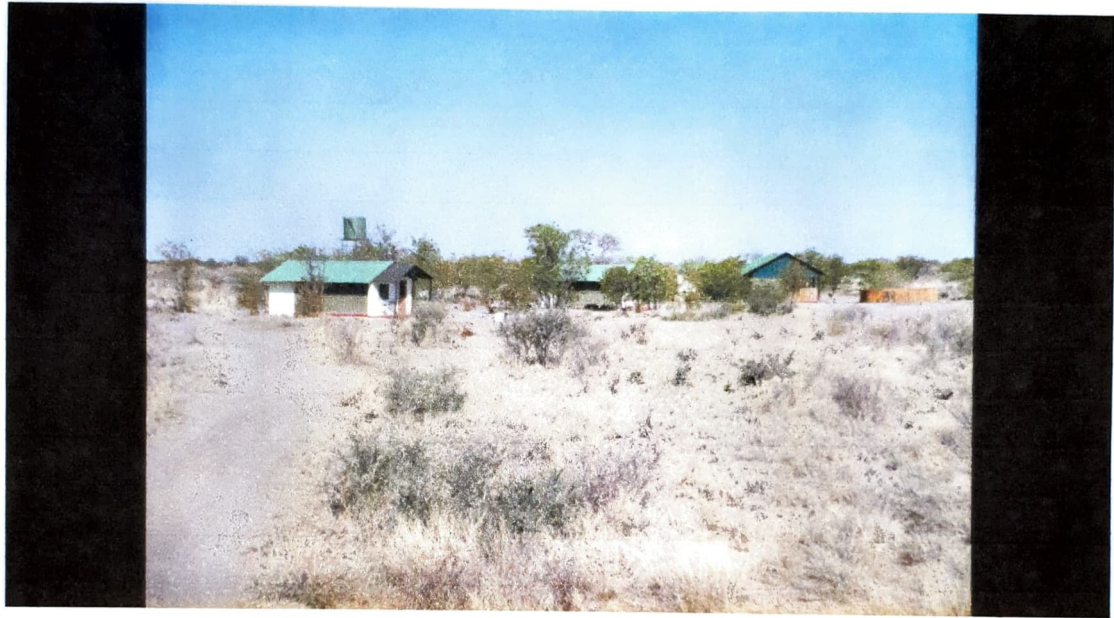
Schedule

- ◆ unless otherwise stated, the property market is perfectly competitive and free of restrictions
- ◆ the seller is willing and in a position to sell the property
- ◆ both seller and buyer have acted rationally and in an informed manner to reach consensus leading to the completion of sale
- ◆ special interest and/or subjective factors from any potential buyer are excluded
- ◆ a reasonable period of time, given present market conditions and the type/nature of the property, has been allowed for the marketing of the property and consensus to have been reached between buyer and seller resulting in the completion of the sale transaction
- ◆ the seller is able and willing to offer possession of the property to the buyer on completion of sale, subject to any declared tenancy
- ◆ in the absence of any declared tenancy, it is assumed the seller offers the buyer complete and unrestricted vacant possession of the property
- ◆ tenancy information, assumed accurate and credible for the purposes of this valuation, should be verified and advised upon by a competent and registered legal practitioner before any transaction is entered into

REPORT AND VALUATION
TRIBAL GRAZING LAND LEASE
GAME RANCH NO. NN-33, AREA 4B RANCHES, BOTETI
DISTRICT

- ◆ the property is free of any undeclared encumbrance and/or restriction in title, servitudes or hidden costs
- ◆ all transaction costs, conveyancing costs, transfer duty, value-added tax (VAT) and other forms of statutory taxation are excluded
- ◆ all outstanding amounts relating to mortgage bonds and/or collateral security are excluded
- ◆ any movable property and/or goodwill is excluded from the valuation
- ◆ a plan or sketch of the property has been provided, depicting our understanding of its location and/or extent
- ◆ in the absence of verifiable evidence to the contrary, we have relied on information relating to tenure, tenancy, planning consents and defects provided to us by the parties listed herein
- ◆ all references to area and/or age are approximate and for information purposes only
- ◆ the legal and institutional characteristics of the property are in compliance with the laws of Botswana
- ◆ unless stated to the contrary, the soil conditions are suitable and appropriate for the improvements constructed thereon
- ◆ the property is developed in accordance with existing environmental impact assessments and recommendations
- ◆ with regard to the Replacement Cost Value it is assumed that indemnification will occur at cost levels determined at the date of this valuation and the allowance for loss of income, unless stated otherwise, is assumed for a period of twelve (12) months
- ◆ with regard to Open Market Rental Value, it is assumed that the demised premises is in a good state of repair and condition and available for occupation
- ◆ **Valuer's Credentials:** the valuer has a *Bachelor's Degree* in Commerce, including Real Estate, Property Valuation and Appraisal (UNISA) and further obtained professional recognition, Estate Agents Board of South Africa (EAB), MREIB (140), REAC (016/11) (registered Property Valuer) and has undertaken and completed substantial valuation instructions for prestigious clients throughout Botswana.

**REPORT AND VALUATION
TRIBAL GRAZING LAND LEASE
GAME RANCH NO. NN-33, AREA 4B RANCHES, BOTETI
DISTRICT**



Guest Camp



Typical Chalet

**REPORT AND VALUATION
TRIBAL GRAZING LAND LEASE
GAME RANCH NO. NN-33, AREA 4B RANCHES, BOTETI
DISTRICT**



Bathroom



Mess

**REPORT AND VALUATION
TRIBAL GRAZING LAND LEASE
GAME RANCH NO. NN-33, AREA 4B RANCHES, BOTETI
DISTRICT**



Boma



Kitchen

**REPORT AND VALUATION
TRIBAL GRAZING LAND LEASE
GAME RANCH NO. NN-33, AREA 4B RANCHES, BOTETI
DISTRICT**



Staff Accommodation



Bushmen Living on Ranch

**REPORT AND VALUATION
TRIBAL GRAZING LAND LEASE
GAME RANCH NO. NN-33, AREA 4B RANCHES, BOTETI
DISTRICT**

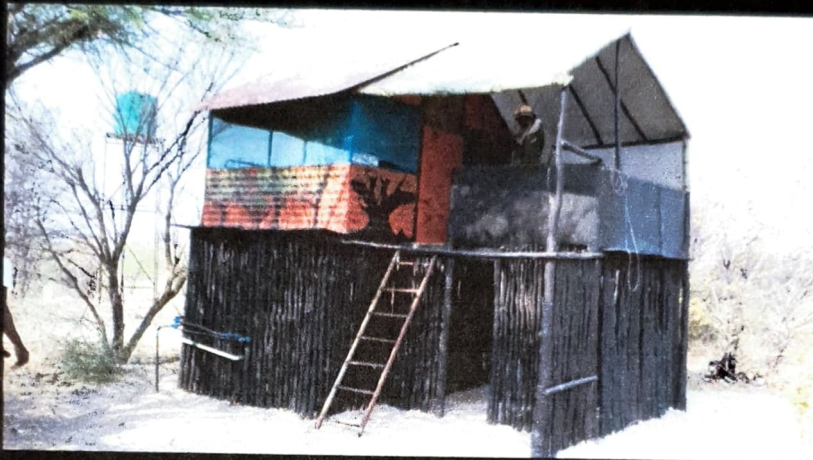


Entrance Gate & Typical Game Fencing



Pumped Pan

REPORT AND VALUATION
TRIBAL GRAZING LAND LEASE
GAME RANCH NO. NN-33, AREA 4B RANCHES, BOTETI
DISTRICT



Hunters / Photographic Hide



Game at Pumped Hide Pan

REPORT AND VALUATION
TRIBAL GRAZING LAND LEASE
GAME RANCH NO. NN-33, AREA 4B RANCHES, BOTETI
DISTRICT



Tsama Airfield



Airfield

REPORT AND VALUATION
TRIBAL GRAZING LAND LEASE
GAME RANCH NO. NN-33, AREA 4B RANCHES, BOTETI
DISTRICT



Lion Pride



Male Leopard

**REPORT AND VALUATION
TRIBAL GRAZING LAND LEASE
GAME RANCH NO. NN-33, AREA 4B RANCHES, BOTETI
DISTRICT**



Birds

**REPORT AND VALUATION
TRIBAL GRAZING LAND LEASE
GAME RANCH NO. NN-33, AREA 4B RANCHES, BOTETI
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TELEPHONE: 2976866
TELEGRAM: GAME LETTHAKANE
FAX NO: 2976358
REFERENCE: WP/011/17/2/91 (26)



DEPARTMENT OF WILDLIFE
PRIVATE BAG 33
LETTHAKANE

REPUBLIC OF BOTSWANA

ALL CORRESPONDENCE TO BE ADDRESSED TO PRINCIPAL WILDLIFE WARDEN

04 August 2009

Mr Christopher Collins
P. O Box 623
Maun

Dear Sir/Madam

**RE: INSPECTION OF TSAMA RANCH N33 FOR MR CHRISTOPHER COLLINS-BOTETI SUB
DISTRICT**

This serves to inform you that inspection of your farm was done on the 14th July 2009 as a requirement when one needs to register as a Game Farm. We are happy to inform you that you have met the requirements and you are advised to continue with arrangements to stock your farm. You should also inform the Department of Wildlife and National Parks- Letlhakane when the exercise is carried out.

I would like to thank you once again for assisting a farmer who intends to venture into Game Farming, with this spirit we would have a number of increased citizens who have the skills in Game farming. I salute you for the good work.

Thank you

Yours Faithfully

Elizabeth Masuku/PWW

C.c. The Director of Wildlife and National Parks
Att: Mrs Sisimogang

Ranch Licence

Civil Aviation Authority of Botswana
 P.O. BOX 250
 Gaborone, Botswana
 Tel: +267 808 8200/701/12/1
 Fax: +267 810 6440/704/11/1
 Website: www.caa.bw

$$(reg20\ l))$$

Pursuant to Part IV of Civil Aviation (Aerodromes) Regulations, 2012, the Chief Executive Officer of the Civil Aviation Authority of Botswana hereby grants the following licence, subject to the conditions attached:

2. Validity Period: 11th May 2019 to 12th May 2020

4. Description of aerodrome:

5 Name of Holder: **Christopher L. Collins**

c. Special Restrictions

The aerodrome shall be available for appropriate use by aircraft of maximum take-off mass not exceeding **3500kg**, and shall only be available for use by **PRIVATE** air traffic.

7. Aerodromes Inspectorate:

I, Samuel Mbaakanyi hereby certify that the holder of this licence has been duly licensed in accordance with Part IV of the Civil Aviation (Aerodromes) Regulations, 2012.

Signature:

Date: 06/07/2005



ALL CORRESPONDENCE TO BE ADDRESSED TO THE CHIEF EXECUTIVE OFFICER

Professional Real Estate Services 2
Real Estate Brokers, Property Managers, Appraisers & Valuers, REAC (Botswana)
SAFARI LODGES, GAME RANCHES, AGRICULTURAL, RESIDENTIAL & COMMERCIAL PROPERTIES