BOTSWANA
Metals Limited
ABN 96 122 995 073

5 September 2013

Dear Shareholder

NOTICE OF RENOUNCEABLE ENTITLEMENTS ISSUE OF SHARES

Botswana Metals Limited ("BML" or "the Company") has announced a pro-rata renounceable 3 for 2 issue of ordinary fully-paid shares, plus one Attaching Option at no cost for each New Share subscribed for exercisable at 1.5 cents ($0.015) at any time up to 5pm AEST on 31 December 2016 ("the Rights Issue").

The Prospectus for the Rights Issue was lodged with the Australian Securities and Investments Commission (ASIC) on 3 September 2013 and will be sent to all eligible shareholders together with a shareholder Entitlement and Acceptance Form on 18 September 2013.

This letter gives BML shareholders brief details of the Rights Issue, certain information required under the ASX Listing Rules, background, proposed use of funds and Important Dates for the Rights Issue. The Rights Issue is renounceable which means that rights can be traded and sold.

The Rights Issue is only open to eligible shareholders, being shareholders whose registered address is in Australia or New Zealand at 5.00pm AEST on the Record Date. The Company has determined that it would be unreasonable to make offers under the Prospectus to all shareholders with addresses outside of Australia and New Zealand ("Ineligible Shareholders") having regard to the small number of such shareholders and the costs of complying with legal and regulatory requirements in each of those jurisdictions. Accordingly, the Rights Issue is not being extended to Ineligible Shareholders.

The Company will appoint a nominee to arrange the sale of the rights which would have been offered to Ineligible Shareholders and, if the rights are sold, the net proceeds will be paid to such shareholders. The nominee will have the absolute and sole discretion to determine the timing and price at which the rights may be sold and the manner of any such sale. Neither the Company nor the nominee will be subject to any liability to sell the rights or to sell them at a particular price. It should be noted that there may be no proceeds available for distribution to Ineligible Shareholders after the costs of the sale have been paid by the nominee. Advice of the outcome of the sale will be provided in due course.

The Company is undertaking the issue to ensure adequate funding is available for the Company's general working capital requirements for at least two quarters based on the new cost structure recently implemented.

Details of the New Issue are as follows:

• Type of Issue	Pro-rata renounceable issue of ordinary fully-paid shares on a 3 for 2 basis, plus 1 Attaching Option at no cost for each New Share subscribed for exercisable at 1.5 cents ($0.015) at any time up to 5pm AEST on 31 December 2016.

• Amount payable	0.2 cents ($0.002) per share.
• No. of shares to be issued	Up to 282,235,323.
• No. of options to be issued	Up to 282,235,323.
• Amount to be raised	Up to $564,471 before costs.
• Rights trading	Rights can be sold in whole or in part either on-market via ASX or off-market.
• Shortfall applications	Shareholders will be able to apply for additional New Shares arising from any shortfall in acceptances. The Rights Issue is not underwritten but placement of the Shortfall, if any, will be managed on a best endeavours basis by Foxfire Capital Pty Ltd (a company of which Mr Volpe is a shareholder), a holder of an Australian Financial Services Licence (AFSL).
• Listing	Application for listing of the New Shares and Attaching Options has been made to the Australian Securities Exchange (ASX).

- Important dates

3 September 2013	- Prospectus lodged with ASIC and ASX.
6 September 2013	- Existing shares quoted on an “ex” basis.
6 September 2013	- Rights trading starts.
12 September 2013	- Record date for Entitlements.
18 September 2013	- Prospectus and Entitlement & Acceptance Forms sent to Eligible Shareholders.
25 September 2013	- Rights trading ends.
26 September 2013	- Securities quoted on a deferred settlement basis.
2 October 2013	- Offer closes: closing date for receipt of Acceptances.
10 October 2013	- Issue date (deferred settlement quotation ends).
11 October 2013	- Normal trading resumes.

Full details of the terms of the Rights Issue and the offer are contained in the Prospectus which:

- Has been released to the ASX and is available on the ASX website under Announcements for Botswana Metals Limited (ASX code: BML)
- Is available on the BML website at www.botswanametals.com.au

Yours faithfully

P Volpe

Pat Volpe
Chairman

Botswana Metals Limited
REGISTERED OFFICE
Suite 5, Level 1, 310 Whitehorse Road, Balwyn Vic Australia 3103
P: +61 3 9830 7676; F: +61 3 9836 3056
Email info@botswanametals.com.au
www.botswanametals.com.au