

**ASX Code: BML**

**TO: COMPANY ANNOUNCEMENTS OFFICE  
ASX LIMITED**

**DATE: 16 SEPTEMBER 2013**

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**RIGHTS ISSUE REPLACEMENT PROSPECTUS**

Botswana Metals Limited releases the following in connection with the 3 for 2 Renounceable Rights Issue at 0.2 cents (\$0.002) per New Share, plus 1 New Option at nil cost for each New Share subscribed:

- Replacement Prospectus dated 16 September 2013; and
- Draft Entitlement & Acceptance Form.

The Replacement Prospectus and the Entitlement & Acceptance Form will be despatched to Eligible Shareholders on 18 September 2013.

**Pat Volpe**  
**Chairman**

**Botswana Metals Limited**

REGISTERED OFFICE

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P: +61 3 9830 7676; F: +61 3 9836 3056

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# BOTSWANA METALS LIMITED

**ABN 96 122 995 073**

## REPLACEMENT PROSPECTUS

A renounceable offer to Eligible Shareholders of 3 New Shares for every 2 existing Shares held, plus 1 free Attaching Option for each New Share subscribed for (**“Rights Issue”**) to raise a total of approximately \$564,471 before costs.

The Rights Issue closes at 5:00pm on 2 October 2013.

### IMPORTANT NOTICE

This is a Replacement Prospectus dated 16 September 2013. It replaces a Prospectus lodged by the Company with ASIC on 3 September 2013 relating to securities in the Company.

You should consider the Securities offered by this Prospectus a speculative investment. In particular, you should refer to Section 3 for further details concerning the risk factors applicable to the Company, its operations, the Securities and the Rights Issue.

This document is important. It should be read in its entirety. If you do not understand its contents or are in doubt as to the course you should follow, you should consult your stockbroker or professional adviser.

Neither Botswana Metals Limited nor any other person guarantees the performance of the Securities offered pursuant to this Prospectus, or the performance of Botswana Metals Limited, or the return of any investment.

## Corporate Directory

### Registered Office

Suite 5, Level 1  
310 Whitehorse Road  
BALWYN VIC 3103  
Telephone (03) 98307676  
Facsimile (03) 98363056

### Directors

Patrick John Volpe  
(Executive Chairman)  
Massimo Livio Cellante  
(Non Executive Director)  
Paul Woolrich  
(Non Executive Director)

### Share Registry

Advanced Share Registry  
Services Limited \*  
Unit 2, 150 Stirling Highway  
NEDLANDS WA 6009

### Company Secretary

Ramon Jimenez

### Auditors

William Buck Audit (Vic) Pty Ltd  
Level 20, 181 William Street  
MELBOURNE VIC 3000

### Stock Exchange

ASX Limited \*  
Level 45, Rialto South Tower  
525 Collins Street  
MELBOURNE VIC 3000

*\*These entities have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus. They are named for information purposes only.*

## Important Notices

1. Shareholders should read this document in its entirety and, if in doubt, should consult their professional advisors.
2. This Replacement Prospectus ("**Prospectus**") is dated 16 September 2013 and a copy of this Prospectus was lodged with ASIC on that date. It replaces the Prospectus lodged with ASIC on 3 September 2013 ("**Original Prospectus**"). ASIC and ASX take no responsibility for the content of this Prospectus. The Expiry Date of the Prospectus is 13 months after the date the Prospectus was lodged with the ASIC. No Securities will be allotted or issued on the basis of this Prospectus after the Expiry Date. Securities allotted or issued pursuant to this Prospectus will be allotted or issued on the terms and conditions set out in this Prospectus.
3. No person is authorised to give information or to make any representation in connection with this Prospectus which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.
4. Certain terms and abbreviations used in this Prospectus have defined meanings, which are explained in Section 8 of this Prospectus.
5. The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions constitutes a violation of those laws. No action has been taken to register or qualify the Securities the subject of this Prospectus or otherwise permit a public offering of the Securities the subject of this Prospectus in any jurisdiction outside Australia or New Zealand.
6. This Offer is only open to Eligible Shareholders. No offer of Securities will be made to Shareholders resident outside Australia or New Zealand. In accordance with the ASX Listing Rules, and having regard to:
  - a. the number of holders resident outside Australia and New Zealand;
  - b. the number and value of New Shares the holders of Shares resident outside of Australia and New Zealand would be offered; and
  - c. the cost of complying with the legal requirements and the requirements of regulatory authorities in places other than Australia and New Zealand,
7. The Directors consider that it is unreasonable to make an offer to Shareholders resident outside Australia or New Zealand and accordingly the Company will send each Shareholder to whom it will not make the offer details of the Rights Issue and advice that the Company will not offer Securities to that Shareholder.
8. The Offer contained in this Prospectus to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand). Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any Securities.
9. Recipients may not send or otherwise distribute this Prospectus or the Application Form to any person outside Australia or New Zealand (other than to Eligible Shareholders).
10. An investment in the Company is speculative. Eligible Shareholders should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus. For further information in relation to the risk factors applicable to the Company, its operations and the Securities, please refer to Section 3 of this Prospectus.

This is a replacement prospectus dated 16 September 2013. It replaces a prospectus lodged by the Company with ASIC on 3 September 2013 relating to securities in the Company.

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## Important Dates and Summary of the Rights Issue

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### Important Dates

| Event                                                                                                       | Date                               |
|-------------------------------------------------------------------------------------------------------------|------------------------------------|
| Announcement of the Offer                                                                                   | 3 September 2013                   |
| Lodge Appendix 3B with the ASX                                                                              | 3 September 2013                   |
| Lodge Original Prospectus with ASIC and ASX                                                                 | 3 September 2013                   |
| Lodgement of revised timetable and revised Appendix 3B                                                      | 4 September 2013                   |
| Notice sent to shareholders containing information required by Appendix 3B                                  | 5 September 2013                   |
| Existing Shares quoted on "ex" basis                                                                        | 6 September 2013                   |
| Rights trading starts                                                                                       | 6 September 2013                   |
| Record Date to determine Entitlements under the Offer                                                       | 12 September 2013<br>5:00pm (AEST) |
| Lodge Replacement Prospectus with ASIC and ASX                                                              | 16 September 2013                  |
| Prospectus and Entitlement and Acceptance Forms despatched to Eligible Shareholders ( <b>Opening Date</b> ) | 18 September 2013<br>9:00am (AEST) |
| Rights trading ends                                                                                         | 25 September 2013<br>5:00pm (AEST) |
| Securities quoted on a deferred settlement basis                                                            | 26 September 2013                  |
| Final date and time for receipt of acceptance and payment in full ( <b>Closing Date</b> )*                  | 2 October 2013<br>5:00pm (AEST)    |
| Company to notify ASX of under subscriptions                                                                | 5 October 2013                     |
| Despatch of holding statements                                                                              | By 10 October 2013                 |
| Deferred settlement trading ends                                                                            | 10 October 2013                    |
| Date of quotation of Securities issued under the Rights Issue                                               | By 11 October 2013                 |

The Company reserves the right (subject to the Corporations Act, the ASX Listing Rules and other applicable laws) to vary the dates of this timetable including (without limitation) extending the Closing Date or accepting late Applications, either generally or in particular cases, without notice. As such the date the Securities are expected to commence trading on ASX may therefore vary.

### Summary of the Rights Issue

#### Renounceable Rights Issue

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Issue price per New Share of \$0.002 (0.2 cent)

Issue price per Attaching Option is nil (exercise price of \$0.015 (1.5 cents))

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Offer of approximately \$564,471 worth of New Shares (before expenses)

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Eligible Shareholders' entitlement: 3 New Shares for every 2 Shares held on the Record Date plus 1 Attaching Option for each New Share subscribed for

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Rights to New Shares in BML are renounceable and are tradeable

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## Chairman's Letter

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Dear Shareholder,

I am pleased to offer Shareholders the opportunity to participate in this Rights Issue ("the Offer") to raise approximately \$564,471 (before issue costs).

Under the terms of this Offer, Eligible Shareholders will be offered 3 New Shares at an issue price of 0.2 cent per share, for every 2 Shares held at the Record Date along with 1 Attaching Option for nil consideration for each New Share subscribed for. Each Attaching Option has an exercise price of 1.5 cents and is exercisable at any time up until 5pm AEST on 31 December 2016. More details about the rights and liabilities attaching to these Securities are set out in Section 4 of this Prospectus.

BML closed its recent rights issue on 11 July 2013 grossly undersubscribed. As a result the Company was not able to obtain the required number of option holders with a marketable parcel for the spread to obtain a listing of those options. As a result the Board resolved to return funds to those subscribers as the terms of the issue were not able to be met.

The Company has entered into a Farm-in Joint Venture Agreement ("the Agreement") with BCL Investments Limited ("BCL"), a wholly-owned subsidiary of BCL Limited. BCL Limited is a mining and smelting company owned by the Botswana Government (94%) and Norilsk Nickel (6%). At present, the condition precedent for the Agreement to come into effect is that the Department of Mines must approve the applications for Retention Licences which include the Maibele North- Ni +Cu project and the Airstrip & Dibete -Cu+Ag project. In view of difficulties encountered by the Company with the Department of Mines, the decision has been made to withdraw the applications for Retention Licences and instead to seek an extension of PL 110/94, PL 111/94 and PL 54/98. The Company will also formally request that BCL amend the Agreement so that the extension of the PLs becomes the condition precedent in lieu of the grant of Retention Licences. If the Agreement is varied and the PLs are extended then under the terms of the Agreement and following an initial US\$4 million drilling program (funded by BCL) to earn 40% of the Retention Licences, BCL has the option to continue to fund the projects to the completion of a Bankable Feasibility Study ("BFS") and to earn up to a 70% interest. BML will retain a 30% interest after the BFS is completed, at which time the management of the projects will be transferred to BCL.

Following the completion of the BFS, BCL will have the off-take rights at commercial prices, to any ore mined. It is planned to truck ore to the BCL smelter operations for processing, 55km to the southwest at Selebi Phikwe.

The purpose and application of the funds to be raised by the Offer are detailed in Section 2 of this Prospectus and I have summarised these as follows.

The funds are planned to be used for general working capital purposes for at least two quarters based on the new cost structure recently implemented. These funds will also be used to meet the costs of implementation of the Agreement with BCL for the exploration and evaluation of the Maibele North Ni+Cu project and the Airstrip & Dibete Cu+Ag project within the current PLs which expire on 31<sup>st</sup> December 2013.

Shareholders need to be aware that there is a risk that BCL will not vary the Agreement and/or that PL 110/94, PL 111/94 and PL 54/98 will not be extended by the Department of Mines in Botswana, meaning that the Company will be unable to proceed with the Agreement, and you are guided to the risk factors in Section 3 of this Prospectus for further details.

Whilst your Board is encouraged with the results of recent exploration and the potential for future exploration, any investment in Botswana Metals Limited is speculative. Shareholders should consult with their professional advisors before making any investment decision pursuant to this Prospectus.

Yours sincerely,



Pat Volpe  
Chairman

## Questions and Answers

Information about the Offer is summarised below. For detailed information, refer to Sections of the Prospectus listed in the right hand column.

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|-------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|
| <b>What is the Offer?</b>                                               | The Offer means the offer of approximately 282,235,323 New Shares and 282,235,323 free Attaching Options, by means of the Rights Issue and the Shortfall Offer.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Section 1                      |
| <b>What is the purpose of the Offer?</b>                                | The key purpose of the Offer is to ensure adequate funding is available for the Company's general working capital purposes for at least the next two quarters and to meet the costs of implementation of the Agreement with BCL for the exploration and evaluation of the Maibele North Ni+Cu project and the Airstrip and Dibete Cu+Ag project within the areas covered by PL 110/94, PL 111/94 and PL 54/98.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Section 2.1                    |
| <b>What is the Rights Issue?</b>                                        | <p>Shareholders who are registered holders as at 5pm AEST on the Record Date (12 September 2013) and whose address on the register is in Australia or New Zealand will receive an entitlement allocation.</p> <p>If you are an Eligible Shareholder, your Entitlement is to an allocation of three (3) New Shares for every two (2) Shares you hold on the Record Date.</p> <p>Rights are renounceable and can be traded on the ASX during the rights trading period.</p> <p>New Shares not subscribed for under the Rights Issue will be made available under the Shortfall Offer and can be subscribed for by, among others, Eligible Shareholders who wish to acquire more than their Entitlement, subject to applicable laws. 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) ("Foxfire"), a holder of an Australian Financial Services Licence (AFSL).</p> <p>All allocations of Shortfall Shares are at the discretion of the Company.</p> | Section 1                      |
| <b>Can foreign Shareholders participate in the Rights Issue?</b>        | <p>Only Eligible Shareholders will receive an allocation under the Rights Issue. An Eligible Shareholder is a Shareholder whose registered address is in Australia or New Zealand and who is a Shareholder at 5.00 pm (AEST) on the Record Date.</p> <p>The Company will offer the Rights which would otherwise have been offered to each ineligible Shareholder to the Nominee. If there is a viable market in the Rights and a premium over the expenses of the sale can be obtained, the Nominee will sell the Rights and distribute the proceeds to ineligible Shareholders.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Important Notes & Section 1.10 |
| <b>Can Eligible Shareholders apply for more than their Entitlement?</b> | <p>Each Eligible Shareholder will receive an entitlement to subscribe for three (3) New Shares for every two (2) Shares held by them at the Record Date.</p> <p>Eligible Shareholders who have applied for their full Entitlement may apply for New Shares in excess of their pro rata Entitlement by completing a Shortfall Application Form. However, any such Application may be declined or scaled back at the absolute discretion of the Company. Applications in excess of Eligible Shareholders' Entitlements will be satisfied from the Shortfall, if any.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Sections 1.3 and 1.4           |
| <b>What is the Shortfall Offer?</b>                                     | <p>Shortfall means the number of New Shares comprising the difference between the number of New Shares the subject of the Rights Issue and the number of New Shares for which valid Entitlement and Acceptance Forms have been received and accepted by BML by the Closing Date.</p> <p>The Shortfall Offer is the offer of the Shortfall to Eligible Shareholders and any other persons located and receiving this Prospectus in Australia.</p> <p>The offer of New Shares under the Shortfall Offer is a separate offer independent from the Rights Issue.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Section 1.4                    |



|                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |           |
|---------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
|                                                                                       | The issue price of any new Shares issued under the Shortfall Offer will be the same as the Issue Price under the Rights Issue being, \$0.002 (0.2 cent) per New Share.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |           |
| <b>What rights attach to the New Shares?</b>                                          | New Shares will have the same voting rights as existing Shares.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Section 4 |
| <b>What rights attach to the Attaching Options?</b>                                   | Each Attaching Option will expire at 5.00pm EST on 31 December 2016. The exercise price of an Attaching Option is \$0.015 (1.5 cents).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Section 4 |
| <b>What are the risks associated with accepting or not accepting your Entitlement</b> | <p>If you choose not to accept your Entitlement in full under this Prospectus, your shareholding in the Company may be diluted. You should also be aware that subscribing for New Shares involves a number of risks. Section 3 sets out the key risk factors you should consider in determining whether to take up your Entitlements.</p> <p>In particular, some of the key risks identified in section 3 include the following:</p> <ol style="list-style-type: none"> <li>1. The Company could lose its tenement interests if licence conditions are not met or if insufficient funds are available to meet Prospecting Licence expenditure commitments or if legitimate native title rights exist;</li> <li>2. If the Company is unable to amend the condition precedent to the Agreement then the Farm-in Joint Venture may not proceed;</li> <li>3. The Department of Mines may decide not to extend or renew Prospecting Licences;</li> <li>4. There is a risk that the Company's estimated mineral resources are incorrect;</li> <li>5. A discovery may not be commercially viable or recoverable;</li> <li>6. The Company is not presently profitable and may never be so;</li> <li>7. There are ongoing operating and sovereign risks; and</li> <li>8. If successful the Offer will raise sufficient funds to meet the operating and administration costs of the Company for at least two quarters and provide working capital. In order to continue its operations beyond two quarters it will be necessary for the Company to raise additional equity or debt capital, amend and satisfy the pre-conditions to the Agreement with BCL, further reduce operating costs or sell, joint-venture or relinquish some or all of its exploration assets. There is a risk that the Company will be unable to achieve all or any of these steps.</li> </ol> <p>If any of the risks outlined above eventuate then the financial and operating position of the Company may be adversely impacted.</p> <p>Please carefully consider whether to accept your Entitlement and, if you are in doubt as to whether to accept, you should consult your independent professional investment adviser.</p> | Section 3 |

# **1 Details of the Offer**

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## **1.1 Offer**

By this Prospectus, the Company is making a pro-rata renounceable offer of Securities on the basis that for every two (2) Shares held by Eligible Shareholders at the Record Date, Eligible Shareholders will have the right (but not the obligation) to subscribe for three (3) New Shares at an issue price of \$0.002 (0.2 cent) per New Share, plus one (1) free Attaching Option per New Share for nil consideration ("**Rights Issue**").

The Rights Issue is renounceable and Eligible Shareholders may sell or transfer all or any part of their Entitlement to this Rights Issue on ASX or otherwise.

In addition to the Rights Issue, Eligible Shareholders and other persons located and receiving this Prospectus in Australia are invited to apply for any Shortfall Shares pursuant to the Shortfall Offer. For further details in relation to the Shortfall Offer, please refer to Section 1.4 of this Prospectus.

As at the date of this Prospectus, the Company currently has 188,156,881 Shares on issue. The number of New Shares offered under this Prospectus will be 282,235,323 and the number of Attaching Options will be 282,235,323.

Eligible Shareholders may accept their Entitlement in whole or in part, or may decide not to accept their Entitlement at all. Shareholders who do not accept their Entitlement in full may, as a result of the Rights Issue, have their percentage shareholding in the Company diluted.

Eligible Shareholders wishing to take up all or part of their Entitlement under the Rights Issue can only do so by completing the Entitlement and Acceptance Form which accompanies this Prospectus.

## **1.2 Opening and Closing Dates of the Offer**

The Opening Date of the Offer will be 18 September 2013 at 9.00am AEST and the Closing Date will be 2 October 2013 at 5.00pm AEST. The Directors reserve the right to close the Offer early or extend the Closing Date (as the case may be), should it be considered by them necessary to do so. Entitlement and Acceptance Forms received after the Closing Date will be rejected and Application Moneys will be returned without interest.

## **1.3 Entitlements and Acceptance**

The Entitlement and Acceptance Form accompanying this Prospectus shows your Entitlement to New Shares for which you may apply and the total amount you would have to pay should you choose to take up all your Rights. Your Entitlement to New Shares is based on the number of Shares registered in your name on the Record Date. If you have fractions of entitlements then they will be rounded down to the next whole number in determining your share entitlements.

The Company will also issue you with one (1) Attaching Option for every one (1) New Share issued to you under the Offer for nil consideration.

You may subscribe for all or part of your Entitlement to New Shares prior to the Closing Date. You can also subscribe for any Shortfall Shares, as referred to in Section 1.4, should you take up your full Entitlement. You can only accept this Offer by completing the Entitlement and Acceptance Form. There is no minimum subscription level.

A completed and lodged Entitlement and Acceptance Form, together with a cheque for the Application Moneys or a BPAY® payment, constitutes a binding and irrevocable contract to buy the number of New Shares specified in the Entitlement and Acceptance Form or indicated by the amount of the BPAY® payment.

Completed Entitlement and Acceptance Forms together with the appropriate Application Moneys must reach the Company's share registry at the following address on or before the Closing Date:

**Advanced Share Registry Services Limited**

**P.O. Box 1156**

**NEDLANDS WA 6909**

**or**

**Unit 2, 150 Stirling Highway**

**NEDLANDS WA 6009**

**Telephone (08) 9389 8033**

**Facsimile (08) 9389 7871**

Payments by cheque must be made to "Botswana Metals Rights Issue Account" and crossed "not negotiable".

All payments must be made in Australian dollars.

If you decide not to accept your Entitlement, you need not do anything; however, your percentage shareholding in the Company may be diluted.

#### **1.4 Shortfall Offer**

Any Entitlement not taken up by Shareholders will become part of the Shortfall and be offered under the Shortfall Offer. Placement of the Shortfall under the Shortfall Offer will be managed on a best endeavours basis by Foxfire Capital Pty Ltd (a company of which Mr Volpe is a shareholder) ("Foxfire"), a holder of an Australian Financial Services Licence (AFSL).

The offer of New Shares under the Shortfall Offer is a separate offer pursuant to this Prospectus and is independent from the Rights Issue and will remain open after the Rights Issue has closed to the extent permitted by the ASX Listing Rules. The issue price of any Shares issued pursuant to the Shortfall Offer shall be \$0.002 (0.2 cent), being the price at which the Entitlement has been offered to Eligible Shareholders pursuant to this Prospectus.

In addition to being able to apply for New Shares pursuant to section 1.3, Eligible Shareholders who subscribe for their full Entitlement will also have the opportunity to apply for New Shares pursuant to the Shortfall Offer, subject to the limitations discussed below.

The Company will pay a commission to Foxfire for any Shortfall placed.

The Directors will, in consultation with Foxfire, allot additional New Shares to Eligible Shareholders who apply for New Shares in excess of their full Entitlement under the Shortfall Offer if there is a Shortfall. The Directors retain the right to place any other part of the Shortfall Offer to professional and sophisticated investors at their discretion.

Shortfall Shares will be issued at the same price and on the same terms as the New Shares and an Eligible Shareholder may only make an application for New Shares pursuant to the Shortfall Offer if they apply for their maximum Entitlement.

Shortfall Shares will only be issued if the Offer is undersubscribed and will only be issued to the extent necessary to make up any shortfall in subscriptions. If the Company receives applications for Shortfall Shares that would result in the Offer being oversubscribed then the Company will not accept such oversubscriptions and will reject applications at its absolute discretion.

The Directors reserve the right to reject any application for Shortfall Shares or to allot a lesser number of Shortfall shares than applied for. Application Monies received but not applied towards subscriptions for Shortfall Shares will be refunded as soon as practicable. No interest will be paid on Application Monies held and returned. Furthermore, the Company will not issue Shortfall shares where to do so would result in a breach of the Corporations Act or the Listing Rules.

The Company will ensure that no person, entity or Shareholder will, through the allocation of Shortfall Shares, acquire a holding of, or (in the case of existing Shareholders) increase their holding to, an amount in excess of 19.9% of all the Shares on issue following the completion of the Offer. The Shortfall will not be placed with Foxfire, Directors of the Company, their associates or related parties of the Company.

#### **1.5 Minimum subscription**

There is no minimum subscription for the Rights Issue Offer.

#### **1.6 Allotment of the New Shares**

Allotment of the New Shares and Attaching Options will take place as soon as practicable after the Closing Date. The Company will determine the allottee(s) of the New Shares and Attaching Options and reserves the right to reject any application.

Until allotment and issue of the New Shares and Attaching Options, the Application Moneys will be held in trust in a separate bank account opened and maintained for that purpose only. Any interest earned on the Application Moneys will be for the benefit of the Company and will be retained by it irrespective of whether allotment and issue of the New Shares and Attaching Options takes place.

#### **1.7 ASX Listing**

The Company will make application to ASX within 7 days following the date of this Prospectus for official quotation of the Securities, being the New Shares and the Attaching Options, offered pursuant to this Prospectus. If approval is not granted by ASX within 3 months after the date of this Prospectus, the Company will not allot the Securities and will repay all Application Moneys (where applicable) as soon as practicable, without interest.

A decision by ASX to grant official quotation of the Securities is not to be taken in any way as an indication of ASX's view as to the merits of the Company, or the Securities.

#### **1.8 Privacy Act**

Shareholders provide personal information to the Company (directly or indirectly to the Company's share registry). The Company collects, holds and will use that information to service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act, the Corporations Act and certain rules such as the ASIC Settlement Rules. You should note that if you do not provide the information required on the application for New Shares, the Company may not be able to accept or process your application.

#### **1.9 Selling or Transferring Your Rights**

As an alternative to accepting or not accepting your Entitlement, you can sell or transfer your Rights to another person as described below:

##### **(a) If you wish to sell your Rights in full on ASX**

Follow the instructions on the back of the accompanying Entitlement and Acceptance Form. You can sell your Rights on ASX from 6 September 2013. All sales must be effected by close of trading on 25 September 2013, when Rights

trading ends on the ASX. The Company does not accept any responsibility for any failure by your stockbroker to carry out your instructions.

**(b) If you wish to sell part of your rights on ASX and take up the balance**

Follow the instructions on the back of the accompanying Entitlement and Acceptance Form. You can sell your Rights on ASX from 6 September 2013. All sales must be effected by close of trading on 25 September 2013, when Rights trading ends on the ASX. To take up the remaining part of your Rights, your stockbroker will need to ensure that the completed Entitlement and Acceptance Form reaches the Share Registry by the Closing Date (or such later date as the Directors advise). The Company does not accept any responsibility for any failure by your stockbroker to carry out your instructions.

**(c) If you wish to transfer all or part of your Rights to another person other than on ASX**

If you hold Shares on the issuer-sponsored register and you wish to transfer all or part of your Rights to another person other than on ASX, forward a completed standard renunciation form (which can be obtained from your stockbroker or the Share Registry) signed by you (as the seller) and the buyer, together with the Entitlement and Acceptance Form completed by the buyer and the buyer's cheque or bank draft for the appropriate Application Moneys to reach the Share Registry by no later than the Closing Date (or such later date as the Directors advise).

If you hold shares on CHESS and you wish to transfer all or part of your Rights to another person other than on ASX, you should contact your sponsoring participant.

If the Share Registry receives both a completed renunciation form and a completed Entitlement and Acceptance Form in favour of the same Shareholder in respect of the same Rights, the renunciation form will be given effect in priority to the acceptance.

#### **1.10 Ineligible Shareholders**

The Company has decided that it is unreasonable to make offers under the Rights Issue Offer to Shareholders with registered addresses outside Australia and New Zealand having regard to:

- (a) The number of Shareholders in those places;
- (b) The number and value of the New Shares they would be offered; and
- (c) The cost of complying with the legal and regulatory requirements in those places.

Accordingly, the Rights Issue Offer is not being extended to, and does not qualify for distribution or sale, and no New Shares will be issued under the Rights Issue Offer to Shareholders having registered addresses outside Australia and New Zealand. This Prospectus is being sent to those Shareholders for information purposes only.

The Directors will offer the Rights which would otherwise have been offered to each of those Shareholders to Foxfire Capital Pty Ltd ("**Nominee**"). ASIC has approved the appointment of the Nominee. If there is a viable market in the Rights and a premium over the expenses of a sale can be obtained, the Nominee will sell the Rights. Any sale will be at prices and otherwise in a manner determined by the Nominee in its sole discretion. The Nominee will not charge the Company any fees in acting in this capacity other than the recovery of any expenses in relation to the sale.

Neither the Company nor the Nominee will be held liable for failure to sell the Rights or to sell the Rights at any particular price. The proceeds of the sale will be distributed to Shareholders for whose benefit the Rights are sold in proportion to their Shareholding (after deducting costs).

If there is no viable market for the Rights, the Rights of Shareholders with registered addresses outside Australia and New Zealand will be allowed to lapse.

#### **1.11 Enquiries**

Any questions concerning the Offer should be directed to the Company Secretary, Mr Ramon Jimenez on +61 3 9830 7676.

## 2 Purpose and Effect of the Offer

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### 2.1 Purpose of the Offer

The purpose of the Offer is to fund the Company's general working capital requirements for at least two quarters based on the new cost structure recently implemented by the Company.

For these reasons, the Board needs to raise funds to continue to meet any further costs of implementing the Agreement to enable BCL to conduct future exploration and evaluation of the Maibele North - Ni + Cu project and the Airstrip & Dibete – Cu + Ag project within the areas covered by Prospecting Licences 110/94, 111/94 and 54/98 containing the Maibele North Ni+Cu project and the Airstrip & Dibete Cu+Ag project.

The background to the need to raise funds for working capital requirements is as follows:

- In accordance with the *Mines and Minerals Act (Act no. 17 of 1999) Botswana*, during September 2012 the Company lodged three Retention Licence applications for areas included within the former Prospecting Licences 110/94, 111/94 and 54/98;
- In the December 2012, March 2013 and June 2013 quarterly activities reports to the ASX the Company advised that it was still awaiting a decision from the Department of Mines in Botswana as to whether the Retention Licences would be granted;
- On 11<sup>th</sup> April 2013 the Company received an email from the Department advising that the Department had recommended to the Ministry of Mines that the three Retention Licences be granted. This was reconfirmed in an email from the Department received on 31<sup>st</sup> May 2013.
- The Company has maintained the exploration team in Botswana with a view that the team will be necessary to implement the Agreement with BCL Limited, however the granting of the Retention Licences is a condition precedent of the Agreement coming into effect;
- The delays in approving the Retention Licence applications has meant that the Company has had sole responsibility of maintaining the exploration team in Botswana, leading to a considerable drain on the Company's financial resources by such delays;
- On 11<sup>th</sup> July, 2013 the Company closed its non-renounceable 2 for 5 rights issue heavily undersubscribed. The Company had attempted to raise \$752,541 through the issue of 75,254,127 shares at \$0.01 (1 cent) per share with 75,254,127 free attaching options with an exercise price of \$0.03 (3 cents) and an expiry date of 30 June 2016. The Company was unable to meet the ASX requirements for the listing of the options and as a result the issue was cancelled and the subscription moneys paid were returned to the applicants.
- On the 23<sup>rd</sup> July, 2013 the Company made an equity investment proposal to BCL to take up shares in the Company.
- On the 6<sup>th</sup> August, 2013 the Company received a letter from the Department of Mines advising that:
  - The three Retention Licence applications were inadequate as the feasibility study report was incomplete and not to the satisfaction of the Department in accordance with section 27(1) of the *Mines and Minerals Act 1999*, in particular the adequate delineation of mineral resources and reserves for a development of a reasonable mining project;
  - The Company has 90 days from 5<sup>th</sup> August 2013 to remedy the deficiency noted above and show cause why the Retention Licence applications should not be rejected; and
  - The validity of the three Prospecting Licences 110/94, 111/94 and 54/98 had been extended to 31<sup>st</sup> December 2013 in accordance with Section 79(a) of the *Mines and Minerals Act*; and
- On the 26<sup>th</sup> August 2013, following ongoing discussions between the Company and the Department, the Company wrote to the Department requesting that the Department and the Ministry of Mines supply specific details as to the alleged inaccuracies and

omissions in the Retention Licence applications and advise the Company exactly what information must be provided to make those applications acceptable to the Department and the Ministry.

- On the 28<sup>th</sup> August 2013 the Company was advised that BCL could only invest directly in selected mining assets, such as through the Agreement, and that BCL had decided not to take up an equity investment in the Company.
- As a result of the above, on 2<sup>nd</sup> September 2013 the Board of the Company resolved to undertake a renounceable rights issue to raise funds sufficient to meet working capital requirements for at least two quarters based on the new cost structure recently implemented by the Company.
- On 11<sup>th</sup> September, 2013 the Company received a letter dated 9<sup>th</sup> September, 2013 from the Department in response to the Company's letter dated 26<sup>th</sup> August, 2013. The letter again refers to the inadequacies in the Retention Licence applications and states:

*"The shortfalls in your applications are as pointed out in the Minister's letter of 5<sup>th</sup> August, 2013, Ref. no. GSC 6/48/32 I(48). Kindly refer to Form III in the First Schedule of Mines and Mineral Act of 1999 for details of what is required in an application for a retention licence. A typical example of a complete feasibility study required under Form III should be based on sound and complete engineering and test work with high levels of accuracy, which should include prospecting work completed with minable reserves delineated, detailed test work completed and used to develop all mining and processing and parameters for pit slope or underground design, hydrology studies, geotechnical studies, flow sheet development, equipment selection and sizing, consumables, power consumption, material balance, general arrangement drawings, development and production schedules, capital and operating cost estimates which should be derived from take-offs and vendor quotes and an environmental impact assessment study with an environmental management programme approved by the Department of Environmental Affairs.*

*I draw your attention to Section 17 of the MMA that, should you wish to apply for extensions of the prospecting licences, such applications must be submitted on or before the 30<sup>th</sup> September 2013."*

In light of the most recent correspondence from the Department and having regard to:

- the Company's financial and operating position;
- the final date of 5<sup>th</sup> November, 2013 by which the Retention Licence applications must be made satisfactory to the Department;
- the uncertainty in determining what the Department actually requires from the Company to grant the Retention Licences (particularly as earlier correspondence indicated that the Department had recommended to the Ministry of Mines that the three Retention Licences be granted); and
- the extension granted by the Department under its own discretion so that the three PLs now expire on 31<sup>st</sup> December 2013,

the Directors decided that the best course of action with a view to protecting the rights of the Company in respect of the areas covered by the PLs, and thereby maximising the value of the assets for the benefit of shareholders, is for the Company to apply for an extension of the PLs and withdraw the applications for the Retention Licences.

The Directors have resolved that:

- The Company will apply to extend the term of Prospecting Licences 110/94, 111/94 and 54/98 for a further term. Such an extension, if granted, is likely to be for a period of between 18 months and 2 years but the period could be shorter and is at the discretion of the Department of Mines.
- The Company will withdraw the Retention Licence applications over the areas covered by those PLs.



- The Company will advise BCL of the above and formally request that BCL agree to the Agreement being varied so that the grant of an extension of the Prospecting Licences for a period acceptable to BCL becomes the pre-condition to the Agreement taking effect, rather than the granting of the Retention Licences.

There are risks arising from the uncertainty regarding the Company's activities in Botswana and these risks are set out in this Prospectus. In the event that the Prospecting Licences are not extended or the Company is unable to vary the Agreement then the financial and operating position of the Company may be adversely impacted.

## 2.2 Effect of the Offer on capital structure

The effect of the Offer on the capital structure of the Company (on an undiluted basis) is set out below.

### Shares

|                                                     |                    |
|-----------------------------------------------------|--------------------|
| Shares currently on issue                           | 188,156,881        |
| New Shares offered pursuant to the Offer            | 282,235,323        |
| <b>Total Shares on issue after the Closing Date</b> | <b>470,392,204</b> |

### Options

|                                                                                                                                                  |                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| Attaching Options offered pursuant to the Offer exercisable at \$0.015 (1.5 cents) per option at any time up until 5pm AEST on 31 December 2016. | 282,235,323        |
| <b>Total Options on issue after the Closing Date</b>                                                                                             | <b>282,235,323</b> |

*Note – the Company will apply for the New Shares and Attaching Options issued pursuant to this Rights Issue to be listed on the Australian Securities Exchange ("ASX"). See Section 1.7 for further details.*

The issue of New Shares under this Prospectus will raise approximately \$564,471 before expenses. In addition to the issue of the New Shares, if all new Attaching Options are exercised prior to the Option Expiry Date, the Company will raise approximately \$4.2 million in addition to the amount raised by the issue of New Shares.

The effect of the Offer on the capital structure of the Company (on a fully diluted basis) is set out below.

|                                                                     |                    |
|---------------------------------------------------------------------|--------------------|
| Shares currently on issue                                           | 188,156,881        |
| New Shares offered pursuant to the Offer                            | 282,235,323        |
| <b>Total Shares on issue after the Closing Date</b>                 | <b>470,392,204</b> |
| If all 1.5 cent Options exercised before expiry date (30 June 2016) | 282,235,323        |
| <b>Total Shares after issue and exercise of all options</b>         | <b>752,627,528</b> |

*Note – the above table showing dilution of shares upon the exercise of the new Attaching Options to be issued pursuant to this Offer are exercised after the Offer ends but before the Expiry Date (31 December 2016).*

## 2.3 Use of Funds

The funds are planned to be used to meet further costs of implementing the Agreement to enable BCL to conduct future exploration and evaluation of the Maibele North Ni+Cu project and the Airstrip & Dibete Cu+Ag project within the areas of PL 110/94, PL 111/94 and PL 54/98 and for working capital purposes for at least two quarters based on the new cost structure recently implemented by the Company. Please refer to the Application of Funds set out below.

## 2.4 Application of Funds

The funds raised under the Offer will be applied towards the following:

- Costs to implement the Agreement between BCL and BML. The Company will seek to amend the Agreement so that it is no longer conditional on the grant of Retention Licences. Instead the Company will seek that the Agreement is conditional on an extension of PLs 110/94 Magogaphate, 111/94 Mokoswane and 54/98 Takane being approved by the Department of Mines in Botswana. If the extension is granted and the Agreement is varied then BML and BCL will be able to continue exploration and

evaluation of the Maibele North- Ni +Cu project and the Airstrip & Dibete -Cu+Ag project within the extended period of the PLs. Some of these funds will also be used to facilitate the ongoing negotiations with the Department of Mines.

- Working capital purposes for at least two quarters based on the new cost structure recently implemented by the Company.

Assuming the Rights Issue and Shortfall Offer are fully subscribed, the funds raised will be allocated as follows based on the expected next two quarters expenditure:

| Item                                                                                      |                   |
|-------------------------------------------------------------------------------------------|-------------------|
| Corporate and Administration in Australia                                                 | \$ 140,000        |
| Botswana operations including licence fees, administration                                | \$ 260,000        |
| Working capital (including repayment of the bridging facility referred to in section 5.1) | \$ 146,618        |
| Costs of the issue                                                                        | \$ 17,853         |
| <b>Total</b>                                                                              | <b>\$ 564,471</b> |

The Application of Funds assumes operations in Botswana are continued and a restructured corporate and administration office in Australia is in place. Working capital may be used for exploration expenditure on selected Prospecting Licences (PLs) other than PL 110/94, PL 111/94 and PL 54/98.

### Financial effect

Set out below is the audited pro forma statement of financial position of the Company as at 30 June 2013 which has been adjusted for the impact of the proposed Rights Issue. Also presented are the auditor's reviewed statement of financial position as at 31 December 2012 and the audited statement of financial position as at 30 June 2013, as audited by William Buck Audit (VIC) Pty Ltd.

|                                        | Auditor<br>Reviewed<br>31 December<br>2012<br>\$ | Audited<br>30 June 2013<br>\$ | Proforma<br>30 June 2013<br>\$ |
|----------------------------------------|--------------------------------------------------|-------------------------------|--------------------------------|
| <b>Current Assets</b>                  |                                                  |                               |                                |
| Cash and cash equivalents              | 761,406                                          | 192,926                       | 739,544                        |
| Trade and other receivables            | 44,828                                           | 41,725                        | 41,725                         |
| <b>Total Current Assets</b>            | 806,234                                          | 234,651                       | 781,269                        |
| <b>Non-Current Assets</b>              |                                                  |                               |                                |
| Plant and equipment                    | 167,582                                          | 115,845                       | 115,845                        |
| Capitalised exploration and evaluation | 7,513,087                                        | 7,105,794                     | 7,105,794                      |
| <b>Total Non-Current Assets</b>        | 7,680,669                                        | 7,221,639                     | 7,221,639                      |
| <b>Total Assets</b>                    | 8,486,903                                        | 7,456,290                     | 8,002,908                      |
| <b>Current Liabilities</b>             |                                                  |                               |                                |
| Trade & Other Payables                 | 187,129                                          | 168,119                       | 168,119                        |
| <b>Total Current Liabilities</b>       | 187,129                                          | 168,119                       | 168,119                        |
| <b>Non-Current Liabilities</b>         |                                                  |                               |                                |
| <b>Total Non-Current Liabilities</b>   | -                                                | -                             | -                              |
| <b>Total Liabilities</b>               | 187,129                                          | 168,119                       | 168,119                        |
| <b>Net Assets</b>                      | 8,299,774                                        | 7,288,171                     | 7,834,789                      |
| <b>Equity</b>                          |                                                  |                               |                                |
| Issued Capital                         | 14,075,037                                       | 13,986,378                    | 14,532,996                     |
| Reserves                               | (2,397,448)                                      | (2,267,593)                   | (2,267,593)                    |
| Accumulated Losses                     | (3,377,815)                                      | (4,430,614)                   | (4,430,614)                    |
| <b>Total Equity</b>                    | 8,299,774                                        | 7,288,171                     | 7,834,789                      |

*Note: in the event that some or all of PL 110/94, PL 111/94 and PL 54/98 are not extended or if any of BML's other PLs are not renewed as expected under the terms of the Mineral and Mines Act (1999) then there will be a write-*

*off of Capitalised Exploration & Evaluation Expenditure in the financial accounts of the Company and a reduction in total assets, net assets and total equity.*

### 3 Risk Factors

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#### 3.1 Speculative Nature of Investment

The below list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The below risk factors, and others not specifically referred to below, may in the future materially affect the financial performance of the Company and the value of the Securities.

Therefore the Securities carry no guarantee with respect to the payment of dividends, returns of capital or their market value. An investment in the Company is speculative. Eligible Shareholders and potential investors should consult their professional advisers before deciding whether to invest.

#### 3.2 Key risks

(a) *Title risks and Native Title*

The Company has interests in tenements in Botswana. Interests in tenements in Botswana are governed by legislation and are evidenced by the granting of PLs. Each PL is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance.

The Company may lose title to its interest in tenements if licence conditions are not met or if insufficient funds are available to meet PL expenditure commitments.

It is also possible that, in relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate native title rights exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining the consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations, may be adversely affected. The Directors will closely monitor the potential effect of native title claims involving tenements in which the Company has or may have an interest.

(b) *Retention Licences approval a Condition Precedent of the Agreement with BCL Limited*

Retention Licence applications were lodged for areas included within PL 110/94, PL 111/94 and PL 54/98 in September 2012 as required under the *Mines and Minerals Act (Act no. 17 of 1999) Botswana*. Each of PL 110/94, PL 111/94 and PL 54/98 expired on 31 December 2012.

On 11<sup>th</sup> April 2013 the Company received an email from the Department advising that the Department had recommended to the Ministry of Mines that the three Retention Licences be granted. This was reconfirmed in an email from the Department received on 31<sup>st</sup> May 2013.

On 6<sup>th</sup> of August, 2013 the Company received a letter from the Department of Mines advising that:

- The three Retention Licence applications were inadequate as the feasibility study report was incomplete and not to the satisfaction of the Department in accordance with section 27(1) of the *Mines and Minerals Act 1999*, in particular the adequate delineation of mineral resources and reserves for a development of a reasonable mining project;

- The Company has 90 days from 5<sup>th</sup> August 2013 to remedy the deficiency noted above and show cause why the Retention Licence applications should not be rejected; and
- The validity of the three Prospecting Licences 110/94, 111/94 and 54/98 had been extended to 31<sup>st</sup> December 2013 in accordance with Section 79(a) of the *Mines and Minerals Act*; and

On 26<sup>th</sup> August 2013, following ongoing discussions between the Company and the Department, the Company wrote to the Department requesting that the Department and the Ministry of Mines supply specific details as to the alleged inaccuracies and omissions in the Retention Licence applications and advise the Company exactly what information must be provided to make those applications acceptable to the Department and the Ministry.

On 11<sup>th</sup> September, 2013 the Company received a letter dated 9<sup>th</sup> September, 2013 from the Department in response to the Company's letter dated 26<sup>th</sup> August, 2013. The letter again refers to the inadequacies in the Retention Licence applications and states:

*"The shortfalls in your applications are as pointed out in the Minister's letter of 5<sup>th</sup> August, 2013, Ref. no. GSC 6/48/32 I(48). Kindly refer to Form III in the First Schedule of Mines and Mineral Act of 1999 for details of what is required in an application for a retention licence. A typical example of a complete feasibility study required under Form III should be based on sound and complete engineering and test work with high levels of accuracy, which should include prospecting work completed with minable reserves delineated, detailed test work completed and used to develop all mining and processing and parameters for pit slope or underground design, hydrology studies, geotechnical studies, flow sheet development, equipment selection and sizing, consumables, power consumption, material balance, general arrangement drawings, development and production schedules, capital and operating cost estimates which should be derived from take-offs and vendor quotes and an environmental impact assessment study with an environmental management programme approved by the Department of Environmental Affairs.*

*I draw your attention to Section 17 of the MMA that, should you wish to apply for extensions of the prospecting licences, such applications must be submitted on or before the 30<sup>th</sup> September 2013."*

In light of the most recent correspondence from the Department and having regard to:

- the Company's financial and operating position;
- the final date of 5<sup>th</sup> November, 2013 by which the Retention Licence applications must be made satisfactory to the Department;
- the uncertainty in determining what the Department actually requires from the Company to grant the Retention Licences (particularly as earlier correspondence indicated that the Department had recommended to the Ministry of Mines that the three Retention Licences be granted); and
- the extension granted by the Department under its own discretion so that the three PLs now expire on 31<sup>st</sup> December 2013,

the Directors decided that the best course of action with a view to protecting the rights of the Company in respect of the areas covered by the PLs, and thereby maximising the value of the assets for the benefit of shareholders, is for the

Company to apply for an extension of the PLs and withdraw the applications for the Retention Licences.

The Company will formally request that BCL agree to the Agreement being varied so that the grant of an extension of the Prospecting Licences for a period acceptable to BCL becomes the pre-condition to the Agreement taking effect, rather than the granting of the Retention Licences.

The formal request to BCL follows a preliminary enquiry to BCL on 9<sup>th</sup> September 2013 as to whether BCL would accept the extended Prospecting Licences in lieu of Retention Licences. To date, no reply has been received from BCL to that preliminary enquiry.

Approval of the Retention Licences is a Condition Precedent of BCL continuing with the Agreement with the Company and should that Condition Precedent not be varied by BCL as requested by the Company, the Agreement will not proceed and the financial and operating position of the Company may be adversely impacted.

(c) *Expiry of tenements*

Several of BML's key PLs will expire within the next 12 months.

The current extension of PL 46/2004 (Sampowane) and PL 47/2004 (Gobe Shear) expire on 30 March 2014 and 31 March 2014 respectively. Depending upon exploration results, application to further extend these PLs (or apply for Retention Licences) may be made in compliance with the *Mines and Minerals Act (Act no. 17 of 1999) Botswana* however the decision to extend the PLs (or grant Retention Licences) is entirely within the discretion of the Department of Geological Survey ("DGS") for PLs and the DOM for Retention Licences in Botswana. Should the DGS not grant extensions to the PLs (or the DOM not grant Retention Licences), BML will not be permitted to conduct further exploration on the PLs and exploration expenditure that has been capitalised as an asset in the accounts of BML will have to be written-off thereby negatively impacting the Consolidated Statement of Comprehensive Income and Consolidated Statement of Financial Position of BML. In the event that the DGS does not grant BML's extension to the PLs, BML may apply for the PLs again within 3 months, whereby its application will be assessed along with any other competing applications by other explorers.

PL 059/2008 and PL 070/2008, in north-eastern Botswana, will, unless renewed, expire on 30 September 2013. A renewal application was lodged in accordance with the *Mines and Minerals Act (Act no. 17 of 1999) Botswana*. The risks and consequences of PL 059/2008 and PL 070/2008 not being renewed are similar to those outlined in paragraph (b) above.

PL 360/2008 and PL 158/2009 expired on 30 September 2011 and renewal applications were lodged by the Company within the required timeframe. The DGS has denied BML's application for renewal to these PLs. The Company has lodged an objection to the DGS however potential investors should be aware that the decision by the DGS may not be reversed, in which case BML will not be permitted to conduct further exploration on the PLs and exploration expenditure that has been capitalised as an asset in the accounts of BML will have to be written-off thereby negatively impacting the Consolidated Statement of Comprehensive Income and Consolidated Statement of Financial Position of BML.

The Company will apply to extend the term of Prospecting Licences 110/94, 111/94 and 54/98 for a further term. The application will be made on or before

30<sup>th</sup> September 2013 being the date that is three months before the PLs expire as required by section 17 of the *Mines and Minerals Act 1999* of Botswana. The Company will seek an extension of two years to allow the Company to continue to develop and explore the relevant areas. The additional time will give the Company the opportunity to accumulate the necessary information to apply for Retention Licences or Mining Licences in the future, should the circumstances warrant it.

Such an extension, if granted, is likely to be for a period of between 18 months and 2 years but the period could be shorter and is at the discretion of the Department of Mines. If the extension is not granted then the PLs will expire on 31<sup>st</sup> December 2013.

The Company is not able to say when a response to the above renewal applications is likely to be received however, for previous renewal applications, the Company has waited up to 18 months for a formal written decision.

However, given the recent events concerning the PLs and the Retention Licence applications and the resultant uncertainty for shareholders and significant adverse impact on the ability of the Company to plan its operations and raise funds, the Company will endeavour to see that the application process is expedited and a decision is made promptly.

The decision whether or not to extend Prospecting Licences is entirely at the discretion of the Department and an extension may not be granted or may be granted for a period less than is sought by the Company.

In the event that some or all of the Prospecting Licences are not extended then the financial and operating position of the Company may be adversely impacted. Please refer to sub-paragraph (b) above.

(d) *Capital, funding and going concern risks*

The Company can only continue as a going concern if it is able to raise equity or debt capital to fund its operations. A previous rights issue undertaken by the Company closed in July this year heavily undersubscribed. The Company has priced the securities under this Offer at a level to make the securities attractive for investment to both existing and new Shareholders. As a result of discussions with existing and potential new Shareholders following the announcement of the Offer to the ASX, the Directors are confident that the Company will raise the full amount sought under the Offer.

The funds raised under the Offer will enable the Company to meet its operating and administrative costs for a minimum of two quarters and provide funds for general working capital. To extend its operations beyond two quarters it will be necessary for the Company to do one or more of the following:

- Raise equity or debt capital of at least \$400,000 to meet the operating costs in Australia and Botswana for a further two quarters (this is based on the current level of budgeted expenditure); or
- meet the pre-conditions to the Agreement with BCL so that BCL commences funding the Company's operating costs in Botswana through the joint venture; or
- further reduce its operating costs, for example, by closing its offices and retrenching staff in Botswana; or
- sell, joint-venture or relinquish all or part of its exploration assets.

There can be no guarantee that the Company will be able to raise additional equity or debit capital, meet the pre-conditions to the Agreement with BCL, or

further reduce operating costs or sell, joint-venture or relinquish assets. If the Company is unable to achieve all or any of these steps then the financial and operating position of the Company may be adversely affected.

(e) *Resource and Reserve estimates*

There is a risk that the mineral resources of BML, which are estimated and published on a regular basis by BML in accordance with ASX Listing Rules and the Australasian Code for Reporting of Mineral Resources and Ore Reserves, are incorrect. If those estimates are materially in excess of the recoverable mineral content of the tenements, the production and financial performance of BML would be adversely affected.

(f) *Discovery risk*

Any discovery by the Company may not be commercially viable or recoverable: that is no resources within the meaning of the JORC Code may be able to be established and it may be that consequently no reserves can be established.

(g) *Profitability*

The Company is not presently profitable and may never be so.



(h) *Ability to attract personnel*

BML's success depends, in part, on its ability to identify, attract, motivate and retain suitably qualified management personnel. Competition for qualified staff is strong. The inability to access and retain the services of a sufficient number of qualified staff could be disruptive to BML's development efforts or business development and could materially adversely affect its exploration activity and its operating results.

(i) *Operating risk*

The nature of exploration, mining and mineral processing involves hazards which could result in BML incurring uninsured losses and liabilities to third parties. These could include rock falls, flooding, unfavourable ground conditions or seismic activity, ore grades being lower than expected and the physical or metallurgical characteristics of the ore being less amenable to mining or treatment than expected.

(j) *Insurance risk and hazards*

The Company, as an active participant in exploration programs, may become subject to liability for hazards that cannot be insured against or against which it may elect not to be insured because of high premium costs. The Company may incur a liability to third parties (in excess of its insurance cover) arising from pollution, environmental damage or other damage, injury or death.

(k) *Contract risks*

The Company's subsidiaries operate through a series of contractual relationships with operators and sub-contractors. All contracts carry risks associated with the performance by third parties of their obligations as to time and quality of work performed. Any disruption to services or supply may have an adverse effect on the financial performance of the Company's operations.

(l) *Environmental risks*

The Company's projects are subject to various environmental laws. Many of the activities and operations of the Company cannot be carried out without prior approval from and compliance with all relevant authorities. Resource activities can be environmentally sensitive and give rise to substantial costs for environmental rehabilitation, damage control and losses.

The Company may be:

- (i) subject to potential liability related to the exploration, mining and extraction of metals; or
- (ii) prevented from exploration and mining due to the environmental impact of its activities on an area.

Any such developments might impact adversely on the Company's share price.

It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

(m) *Regulatory risk*

Operations by the Company may require approvals from regulatory authorities which may not be forthcoming or which may not be able to be obtained on terms acceptable to the Company. While the Company has no reason to believe that all requisite approvals will not be forthcoming and whilst the Company's obligations for expenditure will be predicated on any requisite approvals being obtained, Eligible Shareholders should be aware that the Company cannot

guarantee that any requisite approvals will be obtained. A failure to obtain any approvals would mean that the ability of the Company to develop or operate any project, or possibly acquire any project, may be limited or restricted either in part or absolutely.

The regulatory environment for BML's operations could change in ways that could substantially increase BML's liabilities, tax liability or costs of compliance. This could materially and adversely affect BML's financial position.

(n) *Equipment risk*

The exploration operations of BML could be adversely affected if essential equipment failed, which if uninsured could result in BML incurring additional expenses and delays in exploration programs with consequences for tenure.

(o) *Sovereign risk*

The Company's exploration activities are carried out in Botswana. As a result, the Company will be subject to political, social, economic and other uncertainties including, but not limited to, changes in policies or the personnel administering them, foreign exchange restrictions, changes of law affecting foreign ownership, currency fluctuations, royalties and tax increases in that country. Other potential issues contributing to uncertainty such as repatriation of income, exploration licensing, environmental protection and government control over mineral properties should also be considered.

Potential risk to the Company's activities may occur if there are changes to the political, legal and fiscal systems which might affect the ownership and operation of the Company's interests in Botswana. This may also include changes in exchange control systems, expropriation of mining rights, changes in government and in legislative and regulatory regimes.

### 3.3 Other risks

(a) *Joint Ventures*

The Company may wish to develop its projects or its future projects through joint venture arrangements. Any joint ventures entered into by, or interests in joint ventures assigned to, the Company could be affected by the failure or default of any of the joint venture participants.

Should the Company achieve less than the full subscription under the Offer it may have to obtain joint venture partners to meet expenditure commitments specified by the Botswana regulatory authorities when the tenements were granted. There is a risk that the Company may not readily be able to obtain such joint venture partners prior to the expiry date of the tenements. Should an expenditure commitment not be met for a tenement, the Botswana regulatory authorities have the discretion to cancel that tenement.

(b) *Climatic risk*

Adverse weather conditions may affect production and exploration.

(c) *War and terrorist attacks*

War or terrorist attacks anywhere in the world could result in a decline in economic conditions worldwide or in a particular region. There could also be a resultant material adverse effect on the business, financial condition and financial performance of BML.

(d) *Commodity price risk*

As the Company's potential earnings from any future operations will be largely derived from the sale of commodities in US dollars, the Company's earnings will be subject to fluctuations in the price of commodities and the Company's earnings and costs will be subject to movements in currency exchange rates (particularly the Australian dollar against the US dollar).

Commodity prices fluctuate and are affected by factors including the relationship between global supply and demand for minerals, forward selling by producers, the cost of production and general global economic conditions.

Commodity prices are also affected by the outlook for inflation, interest rates, currency exchange rates, and supply and demand issues. These factors may have an adverse effect on the Company's exploration and any subsequent development and production activities, as well as its ability to fund its future activities.

(e) *Foreign exchange risk*

Revenue and expenditure in overseas jurisdictions are subject to the risk of fluctuations of international currency exchange markets. Foreign taxes, limitation on repatriation of earnings, compliance with foreign accounting and business laws, and cultural differences, carry a certain amount of risk. Fluctuations in exchange rates may adversely affect the Company and its share price. The Company does not at present have any currency hedging in place. *Economic risk and external market factors*

(f) *Economic risk and external market factors*

Factors, such as, but not limited to, political movements, stock market trends, changing customer preferences, interest rates, inflation levels, commodity prices, exchange rates, industrial disruption, environmental impacts, international competition, taxation changes and legislative or regulatory changes, may all have an adverse impact on BML's operating costs, profit margins and share price. These factors are beyond the control of BML and BML cannot, to any degree of certainty, predict how they will impact on BML.

### **3.4 Risks associated with the Securities**

(a) *Attaching Options may be "out of the money"*

The Attaching Options are currently "out of the money" and may remain so until the Option Expiry Date.

(b) *Dilution*

The interests of Eligible Shareholders who do not participate in the Rights Issue in full and Ineligible Shareholders will be diluted as a result of the Company undertaking the Rights Issue.

(c) *On-going capital requirements for BML*

The Company can only continue as a going concern if it is able to raise equity or debt capital to fund its operations in the future. As noted in this Prospectus, the funds raised under the Offer will enable the Company to meet its operating and administrative costs for a minimum of two quarters and provide funds for general working capital. BML may be adversely affected in a material way if, for any reason, access to that capital is not available. There can be no assurance that additional funds will be available. If additional funds should be raised by issuing equity securities, this might result in dilution to the interests of then existing Shareholders.

(d) *Securities Investment*

Eligible Shareholders and potential investors should be aware that there are risks associated with investments in shares of companies listed on a stock exchange. The value of shares can be expected to fluctuate depending on various factors including general worldwide economic conditions, changes in government policies, investor perceptions, movements in interest rates and stock markets, variations in the operating costs and costs of capital replacement which BML may in the future require. Accordingly, assuming that the Securities are granted official quotation by ASX, they may trade on ASX at higher or lower prices than the issue price.

Each Eligible Shareholder and potential investor should consider whether Securities are a suitable investment for them before deciding to invest in the Securities. Any Eligible Shareholder or potential investor in doubt about investing in shares should consult their stockbroker, accountant, lawyer or other professional adviser immediately.

## **4 Rights and Liabilities attaching to Securities**

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### **4.1 Rights attached to New Shares**

New Shares will, once issued, rank *pari passu* with existing Shares. The rights attached to Shares are:

- (a) set out in the Company's Constitution which may be examined free of charge by appointment between 9.00am and 5.00pm on normal business days at the registered office of BML at Suite 5, Level 1, 310 Whitehorse Road, Balwyn, Victoria, 3103; and
- (b) in certain circumstances, regulated by the Corporations Act, the ASX Listing Rules and the general law.

Set out below is a summary of the principal rights attaching to Shares:

(a) *General meetings*

Members are entitled to be present in person, or by proxy, attorney or representative to speak and vote at general meetings of the Company. Members may requisition general meetings in accordance with the Corporations Act and the Constitution of the Company.

(b) *Ranking*

The New Shares will be ordinary shares and rank equally in all respects with the existing Shares of the Company.

(c) *Reports and Notices*

Members are entitled to receive all notices, reports, accounts and other documents required to be furnished to members under the Constitution of the Company and the Corporations Act.

(d) *Voting rights*

At a general meeting of the Company every ordinary member present in person, or by proxy, attorney or representative shall on a show of hands, have one vote and upon a poll every member present in person or by proxy, attorney or representative has one vote for every Share held. A qualification to the above is that where a person is present at a meeting as proxy or representative for more than one member then on a show of hands that person shall have only one vote and not one vote for each person represented by him.

(e) *Issue of further Shares*

The allotment and issue of Shares is under the control of the Directors of the Company. Subject to restrictions on the allotment of Shares to Directors or their associates contained in the Constitution, the Corporations Act, and the ASX Listing Rules, the Directors may allot or otherwise dispose of Shares on such terms and conditions as they see fit.

(f) *Variation of rights*

The rights, privileges and restrictions attaching to Shares can be altered with the approval of a resolution passed at a separate general meeting of the holders of Shares by a three-quarters majority of those holders who, being entitled to do so, vote at that meeting or with the written consent of the holders of at least three-quarters of the Shares on issue, within two months of that general meeting.

(g) *Winding up*

Members will be entitled in a winding up to share in any surplus assets of the Company in proportion to the Shares held by them respectively, less any amount which remains unpaid on their Shares at the time of distribution.

(h) *Dividends*

The Directors may declare and authorise the distribution, from the profits of the Company, of dividends to be distributed to members according to their rights and interests.

(i) *Transfer of Shares*

Subject to the Constitution of the Company and the Corporations Act the New Shares will be freely transferable.

(j) *Reduction of Capital*

The Company may only reduce its capital in such manner as may be permitted by the provisions of the Corporations Act from time to time.

(k) *Borrowing and Lending Powers*

The Company may borrow and lend in such manner as may be permitted by the provisions of the Corporations Act from time to time.

(l) *Directors*

The Constitution of the Company contains provisions relating to the rotation of Directors (other than Managing Directors / Executive Directors and Alternate Directors).

## 4.2 **CHESS and BML Sponsorship**

BML participates in CHESS. ASTC, a wholly owned subsidiary of ASX, operates CHESS in accordance with the ASX Listing Rules, the ASTC Settlement Rules and the ACH Clearing Rules. Holders of New Shares will not be issued a certificate but will be issued and sent a confirmation of their allotment of their holding of New Shares.

If you are a sponsored holder in CHESS, you will be sent a confirmation notice by the Share Registry which will set out the number of New Shares issued to you under this Prospectus and provide details of your HIN (holder identification number).

If you are registered on the issuer sponsored sub-register, your holding statement will contain the number of New Shares issued to you under this Prospectus and your SRN (security holder reference number).

A CHESS holding statement or issuer sponsored holding statement will otherwise be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time; however a charge may be made for additional statements.

## 4.3 **Terms and Conditions of Attaching Options**

The Attaching Options will be issued to successful Applicants under the Offer on the basis of one (1) Attaching Option for every one (1) New Share issued.

Each Attaching Option will expire at 5.00pm EST on 31 December 2016 (**Option Expiry Date**). Each Attaching Option may be exercised at any time prior to the Option Expiry Date in accordance with the notice provisions set out below and any Attaching Options not so exercised shall automatically expire on the Option Expiry Date.

The exercise price for the Attaching Options is \$0.015 per Attaching Option.

The following is a summary of the rights and liabilities attaching to all Options and which will attach to the Attaching Options once issued.

(a) *Ranking of Share allotted on Exercise of Option*

Each Share allotted as a result of the exercise of an Attaching Option will rank in all respects pari passu with the existing Shares in the Company on issue at the date of allotment.

(b) *Voting*

Attaching Options issued by the Company do not have any voting rights at general meetings of the Company.

(c) *Transfer of an Attaching Option*

Subject to the Constitution of the Company and the Corporations Act the Attaching Options will be freely transferable.

(d) *Method of Exercise of an Attaching Option*

An optionholder may exercise Attaching Options at any time prior to the Option Expiry Date by submitting the relevant Option Exercise Form to the Company's share registry. Forms for exercising Attaching Options are available from the Company's share registry, the Company's website or by contacting the Company directly.

(e) *Participation in New Share Issues*

Attaching Options issued by the Company do not entitle the optionholder to participate in new issues by the Company.

(f) *Change of Options' Exercise Price or the Number of Underlying Shares*

In the event of any reconstruction (including a consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of holders of Attaching Options will be changed to the extent necessary to comply with the Listing Rules at the time of the reorganisation.

(g) *Options to be listed*

The Company intends to make an application for the Attaching Options to be admitted to the official list of ASX.

## 5 Additional Information

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### 5.1 Directors' interests and benefits

Other than as set out below or elsewhere in this Prospectus, no Director or proposed Director of BML, and no firm in which a Director or proposed Director of BML is a partner, holds, or held at any time during the last 2 years before the date of this Prospectus, any interest in:

- (a) the formation or promotion of BML;
- (b) any property acquired or proposed to be acquired by BML in connection with its formation or promotion or in connection with the Offer, or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any Director or proposed director of BML:

- (a) to induce them to become, or to qualify them as, a Director; or
- (b) for services rendered by them in connection with the formation or promotion of BML or in connection with the Offer.

Directors are not required under BML's constitution to hold any shares in BML.

The table below shows the interest of each Director (whether held directly or indirectly) in securities of BML as at the date of this Prospectus:

| Director         | Shares     |
|------------------|------------|
| Patrick Volpe    | 29,531,159 |
| Massimo Cellante | 10,529,729 |
| Paul Woolrich    | 1,227,778  |

Directors may hold the relevant interests in Shares shown above directly, or through holdings by companies, trusts or other persons with whom they are associated.

Management of the placement of any Shortfall on a best endeavours basis will be performed by Foxfire Capital Pty Ltd ("Foxfire"), a company of which Mr Volpe is a holder of 50% of the issued capital, on arm's length commercial terms. Foxfire is the holder of an Australian Financial Services Licence (AFSL) and will be paid a commission of 5% on any Shortfall placed from the proceeds of the Offer. The non-interested directors have determined that these arrangements are on terms that:

- (a) would be reasonable in the circumstances if the Company and Foxfire were dealing at arm's length; or
- (b) are less favourable to Foxfire than such terms noted in the bullet point above.

Foxfire has been appointed as nominee to attempt to sell the Rights of shareholders with a registered address outside of Australia and New Zealand that are ineligible to participate in the Offer. Foxfire will not charge the Company any fees in acting in this capacity other than the recovery of any expenses in relation to any sale.

The Company's short term funding needs will be met by a cash drawn down facility provided by Trayburn Pty Ltd ("Trayburn"), a company controlled by Mr Pat Volpe who is a director and substantial shareholder of the Company. The facility will provide bridging finance to cover the period between now and the completion of the Offer. Trayburn will provide up to \$50,000 on an unsecured basis, free of interest and costs. The funds drawn will only be used for day to day working capital purposes as and when required. It



is proposed that any funds drawn will be repaid from the proceeds of the Offer, assuming that adequate funds are raised.

## 5.2 Interests of other persons

Other than as set out below or elsewhere in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, and no promoter of BML holds, or held at any time during the last 2 years before the date of this Prospectus, any interest in:

- (a) the formation or promotion of BML;
- (b) any property acquired or proposed to be acquired by BML in connection with its formation or promotion or in connection with the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefit has been given or agreed to be given to any of these persons for services rendered by them in connection with the formation or promotion of BML or in connection with the Offer.

## 5.3 Effect of full subscription by major shareholders

The table below shows the effect on the number of shares held by the major shareholders if they apply for their full entitlement (not including any participation in the Shortfall, if any) and all the other shareholders also apply for their full entitlements:

| Scenarios    | Total<br>Shares    | Shares<br>held<br>by Vermar<br>Pty Ltd and<br>associates* | Voting<br>Power | Shares<br>held<br>by Polarity<br>B Pty Ltd | Voting<br>Power | Shares<br>held<br>by Bell IXL<br>Inv. Ltd<br>and<br>associates* | Voting<br>Power |
|--------------|--------------------|-----------------------------------------------------------|-----------------|--------------------------------------------|-----------------|-----------------------------------------------------------------|-----------------|
| Before issue | 188,156,881        | 29,531,159                                                | 15.69%          | 14,657,292                                 | 7.79%           | 10,529,729                                                      | 5.60%           |
| After issue  | 282,235,323        | 44,296,738                                                |                 | 21,985,938                                 |                 | 15,794,593                                                      |                 |
|              | <u>470,392,204</u> | <u>73,827,897</u>                                         |                 | <u>36,643,230</u>                          |                 | <u>26,324,322</u>                                               |                 |

If the major shareholders subscribe for their entitlement (not including any participation in the Shortfall, if any) and the other shareholders subscribe for 0%, 25%, 50%, 75% or 100% of their entitlements under the offer then the voting power of the major shareholders will be as follows:

| Subscription<br>by other<br>shareholders | Total<br>Shares | Voting<br>Power of<br>Vermar<br>Pty Ltd and<br>associates* | Voting<br>Power of<br>Polarity B<br>Pty Ltd | Voting of<br>Power<br>Bell IXL<br>Inv. Ltd and<br>associates* | Total<br>Voting<br>Power<br>Major<br>Holders |
|------------------------------------------|-----------------|------------------------------------------------------------|---------------------------------------------|---------------------------------------------------------------|----------------------------------------------|
| 100%                                     | 470,392,205     | 15.69%                                                     | 7.79%                                       | 5.60%                                                         | 29.08%                                       |
| 75%                                      | 420,352,691     | 17.56%                                                     | 8.72%                                       | 6.26%                                                         | 32.54%                                       |
| 50%                                      | 370,313,178     | 19.94%                                                     | 9.90%                                       | 7.11%                                                         | 36.94%                                       |
| 25%                                      | 320,273,664     | 23.05%                                                     | 11.44%                                      | 8.22%                                                         | 42.71%                                       |
| 0%                                       | 270,234,151     | 27.32%                                                     | 13.56%                                      | 9.74%                                                         | 50.62%                                       |

\*Both Vermar Pty Ltd (and its associates) and Bell IXL Investments Ltd (and its associates) are entities related to Directors of the Company and are ineligible to participate in any Shortfall Offer.

If the major shareholders were to exercise the Options received under the Rights Issue then their voting power in the Company may increase further. Any increase in voting power as a result of the exercise of Options would be restricted by the takeover provisions of the Corporations Act unless an exception applied. There are too many different potential scenarios of voting power outcomes for it to be practical to include further calculations in this document.

## 5.4 Consents

Each of the parties referred to in this section:

- (a) has not authorised or caused the issue of this Prospectus;
- (b) does not make, or purport to make, any statement in this Prospectus other than as specified in this section;
- (c) has not made any statement on which a statement in this Prospectus is based, other than as specified in this section; and
- (d) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Prospectus other than the reference to its name and the statement (if any) included in this Prospectus with the consent of that party as specified in this section.

Foxfire Capital Pty Ltd has given and, at the time of lodgement of this Prospectus, has not withdrawn its written consent to being named in this Prospectus as manager of the placement of any Shortfall to BML in respect of the Offer, and as nominee for the sale of the Rights of ineligible shareholders, in the form and context in which it is named.

William Buck Audit (Vic) Pty Ltd has given and, at the time of lodgement of this Prospectus, has not withdrawn its written consent to being named in this Prospectus as auditors to BML in respect of the Offer in the form and context in which it is named.

Trayburn Pty Ltd has given and, at the time of lodgement of this Prospectus, has not withdrawn its written consent to being named in this Prospectus in the form and context in which it is named.

## **5.5 Expenses of the Rights Issue**

The estimated costs of the Offer are:

|                      |                 |
|----------------------|-----------------|
| ASIC fees            | \$2,824         |
| ASX fees             | \$3,529         |
| Legal                | \$1,500         |
| Printing and postage | \$10,000        |
| <b>TOTAL</b>         | <b>\$17,853</b> |

These expenses are payable by the Company.

## **5.6 Market Price of Shares**

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest and lowest market sale prices of the Company's Shares on ASX during the 3 months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

|          |                     |                     |
|----------|---------------------|---------------------|
| Highest: | 0.9 cents per Share | 12 and 13 June 2013 |
| Lowest:  | 0.2 cents per Share | 12 September 2013   |

The closing sale price of the Company's Shares on ASX on the day prior to the lodgement of this Prospectus with the ASIC was 0.2 cents on 12 September 2013.

## **5.7 Litigation**

Neither the Company nor any of its subsidiaries are presently involved in litigation and the Directors are not aware of any basis on which any litigation against the Company or any of its subsidiaries may arise.

## **5.8 Taxation implications**

The Directors do not consider that it is appropriate to give Shareholders or other potential Applicants advice regarding the taxation consequences of applying for New Shares under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation consequences. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Shareholders or other potential Applicants. Potential Applicants should, therefore, consult their own professional tax adviser in connection with the taxation implications of subscribing for New Shares offered pursuant to this Prospectus.

## **5.9 Electronic Prospectus**

Pursuant to Class Order 00/44, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic Entitlement and Acceptance Forms on the basis of a paper prospectus lodged with ASIC, and the publication of notices referring to an electronic prospectus or electronic Entitlement and Acceptance Form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Entitlement and Acceptance Form. If you have not, please phone the Company on +61 3 9830 7676 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

The New Shares will only be issued on receipt of an Entitlement and Acceptance Form issued together with this Prospectus. The Company reserves the right not to accept an Entitlement and Acceptance Form from a person if it has reason to believe that when that person was given access to the electronic Entitlement and Acceptance Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

## **6 Continuous Disclosure Obligations**

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### **6.1 Nature of this Prospectus**

This Prospectus is issued under the special prospectus content rules for continuously quoted securities in section 713 of the Corporations Act. This enables listed disclosing entities to issue a prospectus with less rigorous disclosure requirements if:

- (a) the securities offered by the prospectus are in a class of securities that have been quoted securities at all times in the 3 months before the date of the prospectus; and
- (b) the Company is not subject to certain exemptions or declarations prescribed by the Corporations Act.

Securities are quoted securities if:

- (a) the Company is included in the official list of ASX; and
- (b) the ASX Listing Rules apply to those securities.

The information in this Prospectus principally concerns the terms and conditions of the Offer and the information necessary to make an informed assessment of:

- (a) the effect of the Offer on BML; and
- (b) the rights and liabilities attaching to the New Shares offered by this Prospectus.

As BML has been listed on ASX since 18 January 2008, a substantial amount of information concerning BML has previously been notified to ASX and is therefore publicly available.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to BML which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Eligible Shareholders should therefore also have regard to the other publicly available information in relation to BML before making a decision whether or not to invest in the New Shares. Information can be accessed from ASX or via BML's website at [www.botswanametals.com.au](http://www.botswanametals.com.au).

### **6.2 Regular reporting and disclosure obligations**

BML is a disclosing entity under the Corporations Act. As a disclosing entity it is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules.

These obligations require BML to notify ASX of information about specified events and matters as they arise for the purposes of ASX making that information available to the stock market conducted by ASX. In particular, BML has an obligation under the ASX Listing Rules (subject to certain limited exceptions) to notify ASX immediately of any information of which it becomes aware concerning BML which a reasonable person would expect to have a material effect on the price or value of securities in BML.

BML is also required to prepare and lodge with ASIC both yearly and half yearly financial statements accompanied by a Directors' statement and report and an auditor's report.

All announcements made by BML are available from ASX.

Having taken such precautions and having made such enquiries as are reasonable, BML believes that it has complied with the general and specific requirements of the ASX (as applicable from time to time throughout the 12 months before the issue of this Prospectus) which require BML to notify ASX of information about specified events or matters as they arise, for the purpose of the ASX making that information available to the market.

BML believes there is no other information that Shareholders or investors would reasonably require for the purposes of making an informed assessment of the assets and liabilities, financial position and performance, profits and losses and prospects of BML and the rights and obligations attaching to the New Shares under this Prospectus, which has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules.

### **6.3 Documents available for inspection**

The following documents are available for inspection during normal business hours at the registered office of BML:

- (a) this Prospectus;
- (b) the constitution of BML; and
- (c) the consents referred to in section 5.4 of this Prospectus.

### **6.4 Your right to obtain copies of BML's documents**

Copies of any documents in relation to BML which are lodged with ASIC may be obtained from, or inspected at, an ASIC office.

During the period that the Offer remains open, BML will provide copies of the following to any person on request, free of charge:

- (a) BML's financial report for the half-year ended 31 December 2012 lodged with ASIC;
- (b) BML's annual financial report for the year ended 30 June 2013 being the last annual financial report that has been lodged with ASIC before lodgement of this Prospectus; and
- (c) any continuous disclosure notices used to notify ASX of information relating to BML in the twelve months preceding the date of lodgement of this Prospectus.

The following documents were lodged by BML with ASX during this period:

| <b>Title of Notice as lodged with ASX</b>                                                                | <b>Lodgement Date</b> |
|----------------------------------------------------------------------------------------------------------|-----------------------|
| Company Update                                                                                           | 16 September 2013     |
| Renounceable Issue Shareholder Letter                                                                    | 5 September 2013      |
| Revised Timetable For Issue & Appendix 3B                                                                | 4 September 2013      |
| Renounceable Rights Issue Prospectus                                                                     | 3 September 2013      |
| Renounceable Rights Issue & Appendix 3B                                                                  | 3 September 2013      |
| Company Secretary Appointment/Resignation                                                                | 21 August 2013        |
| Annual Report to Shareholders                                                                            | 20 August 2013        |
| Updated on Application for Retention Licences in Botswana                                                | 6 August 2013         |
| Update on Funding Options                                                                                | 23 July 2013          |
| Trading Halt                                                                                             | 19 July 2013          |
| Suspension of BMLN and BMLOA                                                                             | 19 July 2013          |
| Refund of Subscriptions from Non-renounceable Rights Issue                                               | 19 July 2013          |
| Quarterly Activities and Cashflow Report                                                                 | 18 July 2013          |
| Results of the 2 for 5 Non-renounceable Rights Issue                                                     | 15 July 2013          |
| Exercise and Expiry of BMLO Options                                                                      | 1 July 2013           |
| Renewal Status Update and Supplementary Prospectus                                                       | 28 June 2013          |
| Appendix 3B                                                                                              | 24 June 2013          |
| Appendix 3B                                                                                              | 20 June 2013          |
| Non-renounceable Rights Issue Replacement Prospectus                                                     | 19 June 2013          |
| Despatch of Notice of Non-renounceable Rights Issue to Shareholders and Notice to Holders of BML Options | 13 June 2013          |
| Non-renounceable Rights Issue Prospectus                                                                 | 12 June 2013          |
| Non-renounceable Rights Issue                                                                            | 11 June 2013          |
| Notice to Option Holders of Expiry of Options (BMLO)                                                     | 30 May 2013           |
| Quarterly Report to 31 March 2013                                                                        | 24 April 2013         |
| Change of Directors' Interests (Appendix 3Y)                                                             | 3 April 2013          |
| Half-year Report                                                                                         | 14 March 2013         |
| Presentation document                                                                                    | 18 February 2013      |
| Quarterly Report to 31 December 2012                                                                     | 31 January 2013       |
| Prospecting Licence extension granted                                                                    | 12 December 2012      |
| Results of Meeting                                                                                       | 28 November 2012      |
| BML enters Joint Venture with industry major                                                             | 14 November 2012      |
| Quarterly Report to 30 September 2012                                                                    | 31 October 2012       |
| Notice of Annual General Meeting                                                                         | 29 October 2012       |
| Annual Report to shareholders                                                                            | 27 September 2012     |

## **7 Director's authorisation**

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This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

The Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive and that, in respect to any other statements made in this Prospectus by persons other than Directors, the Directors have made reasonable enquiries and, on that basis, have reasonable grounds to believe that persons making the statement or statements were competent to make such statements. Those persons have given their consent to the statements being included in this Prospectus, in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with the ASIC or, to the Directors' knowledge, before any issue of Shares pursuant to this Prospectus.

Each of the Directors of the Company has consented to the lodgement of this Prospectus in accordance with section 720 of the Corporations Act and has not withdrawn that consent.

This Prospectus is signed for and on behalf of the Company pursuant to a resolution of the Board.

Dated: 16 September 2013



Patrick Volpe  
Director

## 8 Glossary

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|                                        |                                                                                                                                                                                                                      |
|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ACH Clearing Rules</b>              | The official clearing rules of the Australian Clearing House Pty Ltd ABN 48 001 314 503.                                                                                                                             |
| <b>AEST</b>                            | Australian Eastern Standard Time.                                                                                                                                                                                    |
| <b>Applicant</b>                       | An Eligible Shareholder who applies for New Shares.                                                                                                                                                                  |
| <b>Application</b>                     | An application for New Shares.                                                                                                                                                                                       |
| <b>Application Moneys</b>              | Money received by the Company in respect of Applications.                                                                                                                                                            |
| <b>ASIC</b>                            | Australian Securities & Investments Commission.                                                                                                                                                                      |
| <b>ASTC</b>                            | ASX Settlement and Transfer Corporation Pty Ltd ABN 49 008 504 532.                                                                                                                                                  |
| <b>ASTC Settlement Rules</b>           | The official settlement rules of ASTC.                                                                                                                                                                               |
| <b>ASX</b>                             | ASX Limited ABN 98 008 624 691.                                                                                                                                                                                      |
| <b>ASX Listing Rules</b>               | The official listing rules of the ASX.                                                                                                                                                                               |
| <b>Attaching Options</b>               | The Options offered in this Prospectus to be issued free to successful Applicants under the Offer on the basis of 1 free Attaching Option for every 1 New Share issued, the terms of which are set out in Section 4. |
| <b>BML or Company</b>                  | Botswana Metals Limited ABN 96 122 995 073                                                                                                                                                                           |
| <b>Board or Board of Directors</b>     | The board of directors of the Company.                                                                                                                                                                               |
| <b>Business Day</b>                    | A day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Melbourne, Australia.                                                                                |
| <b>CHESS</b>                           | Clearing House Electronic Subregister System operated by ASTC                                                                                                                                                        |
| <b>Closing Date</b>                    | 5.00pm AEST on 2 October 2013.                                                                                                                                                                                       |
| <b>Corporations Act</b>                | <i>Corporations Act 2001</i> (Cth).                                                                                                                                                                                  |
| <b>Department or DOM</b>               | Department of Mines in Botswana.                                                                                                                                                                                     |
| <b>Directors</b>                       | The directors of the Company.                                                                                                                                                                                        |
| <b>Eligible Shareholders</b>           | A Shareholder whose registered address is in Australia or New Zealand and who is a Shareholder at 5.00 pm (AEST) on the Record Date                                                                                  |
| <b>Electronic Prospectus</b>           | The electronic copy of this Prospectus located at BML's website at <a href="http://www.botswanametals.com.au">www.botswanametals.com.au</a> .                                                                        |
| <b>Entitlement or Right</b>            | Entitlement of Eligible Shareholders to subscribe for 3 New Shares for every 2 Shares held by them as at the Record Date plus 1 Attaching Option, and <b>Rights</b> has a corresponding meaning.                     |
| <b>Entitlement and Acceptance Form</b> | The personalised entitlement and acceptance form accompanying this Prospectus,                                                                                                                                       |
| <b>New Shares</b>                      | The Shares to be issued in the Company under this Prospectus.                                                                                                                                                        |
| <b>Nominee</b>                         | Foxfire Capital Pty Ltd (ACN 147 300 865).                                                                                                                                                                           |



|                                  |                                                                                                                                                                                                     |
|----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Offer</b>                     | The offer of New Shares and free Attaching Options pursuant to this Prospectus.                                                                                                                     |
| <b>Opening Date</b>              | 9.00am AEST on 18 September 2013.                                                                                                                                                                   |
| <b>Option</b>                    | An option to acquire a Share.                                                                                                                                                                       |
| <b>Option Expiry Date</b>        | Has the meaning given to that term in Section 4.3 of this Prospectus.                                                                                                                               |
| <b>Original Prospectus</b>       | The Company's Prospectus dated 3 September 2013.                                                                                                                                                    |
| <b>Privacy Act</b>               | <i>Privacy Act 1988</i> (Cth).                                                                                                                                                                      |
| <b>Prospecting Licence or PL</b> | A right to prospect acquired under the <i>Mines and Minerals Act, 1999</i> (Botswana).                                                                                                              |
| <b>Prospectus</b>                | This replacement Prospectus dated 16 September 2013.                                                                                                                                                |
| <b>Record Date</b>               | 5.00pm on 12 September 2013.                                                                                                                                                                        |
| <b>Rights Issue</b>              | Has the meaning given to that term on the cover page of this Prospectus.                                                                                                                            |
| <b>Retention Licence or RL</b>   | A right of retention over a prospecting area acquired under the <i>Mines and Minerals Act, 1999</i> (Botswana).                                                                                     |
| <b>Securities</b>                | The New Shares and the Attaching Options.                                                                                                                                                           |
| <b>Shareholders</b>              | Registered holders of Shares.                                                                                                                                                                       |
| <b>Share Registry</b>            | Advanced Share Registry Services Limited.                                                                                                                                                           |
| <b>Shares</b>                    | Fully paid ordinary shares in the capital of BML.                                                                                                                                                   |
| <b>Shortfall</b>                 | The difference between the total number of Securities offered to Eligible Shareholders under the Offer and the number of Securities applied for on a pro rata basis in exercising the Entitlements. |
| <b>Shortfall Offer</b>           | The offer of the Shortfall to Eligible Shareholders or other persons located and receiving this Prospectus in Australia.                                                                            |
| <b>Shortfall Shares</b>          | New Shares not subscribed for prior to the close of the Offer.                                                                                                                                      |

**ENTITLEMENT AND ACCEPTANCE FORM**

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT,  
PLEASE CONTACT YOUR STOCKBROKER OR LICENSED PROFESSIONAL ADVISOR.

REGISTERED OFFICE: Suite 5, Level 1, 310 Whitehorse Road, Balwyn, Victoria 3103

SHARE REGISTRY: Advanced Share Registry Ltd, Unit 2, 150 Stirling Highway, Nedlands, Western Australia 6009

A renounceable pro-rata entitlements issue of up to 282,235,323 New Shares at an issue price of 0.2 cents (\$0.002) per New Share on the basis of 3 New Shares for every 2 Shares held at the Record Date, plus one (1) free Attaching Option per New Share for nil consideration, to raise up to approximately \$564,471 (**Rights Issue**) before expenses.

**RENOUNCEABLE ENTITLEMENTS ISSUE, CLOSING 5.00 PM AUSTRALIAN EASTERN STANDARD TIME ON WEDNESDAY, 2 OCTOBER 2013.**

Shareholder's details

<INS>

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|                                                                                                        |         |
|--------------------------------------------------------------------------------------------------------|---------|
| Sub-Register                                                                                           | : <INS> |
| HIN/SRN                                                                                                | : <INS> |
| Shareholding at Record Date 5.00pm<br>AEST 12 SEPTEMBER 2013                                           | : <INS> |
| Entitlement to Shares on 3 New<br>Shares for every 2 Shares held basis                                 | : <INS> |
| Amount payable on acceptance at 0.2<br>cents (\$0.002) per Share                                       | : <INS> |
| Entitlement to 1 attaching option at nil<br>cost for each New Share, based on<br>Entitlement to Shares | : <INS> |

**To the Directors  
BOTSWANA METALS LIMITED**

- I/We the above mentioned, being registered on 12 September 2013 as the holder(s) of ordinary shares in your Company hereby accept the below mentioned securities in accordance with the enclosed Offer Document;
- I/We hereby authorise you to place my/our name(s) on the register of shareholders in respect of the number of Shares allotted to me/us and;
- I/We agree to be bound by the Constitution of the Company.

| (A) NUMBER OF NEW SHARES ACCEPTED<br>(BEING NOT MORE THAN THE ENTITLEMENT<br>SHOWN ABOVE) | (B) NUMBER OF ADDITIONAL NEW SHARES<br>APPLIED FOR (IN EXCESS OF THE<br>ENTITLEMENT SHOWN ABOVE) | (C) = (A) + (B)<br>AMOUNT ENCLOSED @<br>0.2 cents (\$0.002) PER SHARE |
|-------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|
|                                                                                           |                                                                                                  | AUD\$                                                                 |

**METHOD OF ACCEPTANCE**

You can apply for Shares and make your payment utilising one of the payment options detailed overleaf, however please indicate which payment option you have chosen by marking the relevant box below.

☐

Cheque/bank draft/money order

☐

BPAY

|                                             |        |      |        |        |
|---------------------------------------------|--------|------|--------|--------|
| PLEASE ENTER<br>CHEQUE DETAILS<br>THANK YOU | Drawer | Bank | Branch | Amount |
|                                             |        |      |        |        |

  

|  |                                                                                                                            |
|--|----------------------------------------------------------------------------------------------------------------------------|
|  | You can pay by BPAY. If you choose to pay by BPAY, you do not need to return this form. Please refer overleaf for details. |
|--|----------------------------------------------------------------------------------------------------------------------------|

My/Our contact numbers in the case of enquiry are:

Telephone: (.....).....

Email: .....

NOTE: Cheques should be made payable to **BOTSWANA METALS SHARE SUBSCRIPTION ACCOUNT**, crossed NOT NEGOTIABLE and forwarded to Advanced Share Registry Ltd, Unit 2, 150 Stirling Highway, Nedlands, Western Australia, 6009 to arrive no later than 5.00 pm Australian Eastern Standard Time on **Wednesday, 2 October 2013**

| INSTRUCTIONS TO YOUR STOCKBROKER                                                                       |                          |                                      |
|--------------------------------------------------------------------------------------------------------|--------------------------|--------------------------------------|
| I/We have accepted                                                                                     | <input type="checkbox"/> | New Shares and New Options           |
| I/We wish to sell                                                                                      | <input type="checkbox"/> | rights to New Shares and New Options |
| This instruction *has/*has not previously been notified to you. (* Delete whichever is not applicable) |                          |                                      |

Complete this panel and sign below only if a change of address is to be registered with the Company

New Address: .....

Signature(s): .....

Date: .....

Please indicate correct title: Director / Secretary / .....

**CHESS holders must contact their Controlling Participant to notify a change of address.**

## EXPLANATION OF ENTITLEMENT

1. The front of this form sets out the number of Shares, which you are entitled to accept.
2. Your entitlement may be accepted either in full or in part. There is no minimum acceptance.
3. The price payable on acceptance of each Share is 0.2 cents (\$0.002).
4. Please complete the Entitlement and Acceptance Form overleaf.

## APPLICATION INSTRUCTIONS

### Payment Details

You can apply for Shares by utilising the payment options detailed below. There is no requirement to return this Form if you are paying by electronic means.

By making your payment using either BPAY or by cheque, bank draft or money order, you confirm that you agree to all of the terms and conditions of the Botswana Metals Ltd Rights Issue Offer Document as enclosed with this form.

Your cheque, bank draft or money order should be made payable to **BOTSWANA METALS SHARE SUBSCRIPTION ACCOUNT** in Australian currency and crossed "Not Negotiable". Your cheque or bank draft must be drawn on an Australian branch of a financial institution. Please ensure you submit the correct amount. Incorrect payments may result in your Application being rejected. Complete cheque details in the boxes provided.

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the Entitlement and Acceptance Form. Cash will not be accepted. A receipt for payment will not be forwarded.

If the amount you pay is insufficient to pay for the number of Shares you apply for, you will be taken to have applied for such lower number of Shares as that amount will pay for, or your application will be rejected.

If the amount you pay is more than the amount payable for your full Entitlement, you will be taken to have applied for New Shares under the Shortfall Offer, if there is a Shortfall. The Directors will in consultation with Foxfire Capital Pty Ltd, allot additional New Shares to Eligible Shareholders who apply for New Shares in excess of their full Entitlement under the Shortfall Offer if there is a Shortfall. Foxfire Capital Pty Ltd has been appointed to manage the placement of any Shortfall on a best endeavours basis. Foxfire Capital Pty Ltd retains the right to place the Shortfall Offer to professional and sophisticated investors at their discretion.

### Sale of your entitlements/rights

*Sale of your entitlement in full by your stockbroker:*

Contact your stockbroker and verbally provide details as requested which appear overleaf or complete the "Instructions to your stockbroker" section above and forward this Entitlement and Acceptance Form to your Stockbroker.

*Sale of part of your entitlements/rights:*

Complete the front of this Entitlement and Acceptance Form where indicated in respect of the New Shares and New Options for which you want to subscribe. Complete the section above marked "Instructions to your Stockbroker" in respect of that part of your entitlement which you wish to sell. Lodge your completed Entitlement and Acceptance Form, together with your cheque for the amount due in respect of the New Shares you have accepted, with your stockbroker

*Transfer of entitlements/rights other than on ASX:*

If you wish to transfer your entitlements to another person other than on ASX, forward a completed and signed standard renunciation form(s) (obtainable from your Stockbroker or the Share Registry) together with your Entitlement and Acceptance Form to Advanced Share Registry Ltd prior to 5:00 pm AEST on Wednesday, 2 October 2013.

*Entitlements Not Taken Up:*

If you decide not to accept all or part of your entitlement, you are advised to deal with the Rights rather than allowing them to lapse. The part of the entitlement not accepted or deal with will lapse and you will receive no benefit. It is therefore important that you take action either to accept or renounce (sell) your entitlement in accordance with the above instructions.

### Contact Details

Enter the name of a contact person and telephone number. These details will only be used in the event that the registry has a query regarding this form.

### Lodgement of Application

If you are applying for Shares and your payment is being made by BPAY, you do not need to return this form however you are encouraged to return the form to the registry for reconciliation purposes – in that case you can post the form to the registry or send it by facsimile to (61) (08) 9389 7871. Your payment must be received by no later than 5.00 pm AEST on Wednesday, 2 October 2013. Applicants should be aware that their own financial institution may implement earlier cut off times with regard to electronic payment, and should therefore take this into consideration when making payment. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time. If you are paying by cheque, bank draft or money order, your Application must be received by Advanced Share Registry Ltd ("ASW") by no later than 5.00 pm AEST on Wednesday, 2 October 2013. You should allow sufficient time for this to occur. Return your Application with cheque, bank draft or money order attached. Neither Advanced Share Registry Ltd ("ASW") nor the Company accepts any responsibility if you lodge the Application Form at any other address or by any other means.

### Privacy Statement

Personal information is collected on this form by ASW, as registrar for securities issuers ("the issuer"), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by ASW, or you would like to correct information that is inaccurate, incorrect or out of date, please contact ASW. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting ASW. You can contact ASW using the details provided on the front of this form.

**If you have any enquiries concerning this form or your entitlement, please contact ASW on telephone 618 9389 8033 or fax 618 9389 7871.**



### Telephone & Internet Banking – BPAY

Call your bank, credit union or building society to make this payment from your cheque or saving account. More info: [www.bpay.com.au](http://www.bpay.com.au)

### By Mail

Botswana Metals Share Subscription Account  
C/- Advanced Share Registry Ltd  
PO Box 1156, Nedlands  
Western Australia 6009

### By Delivery

Unit 2, 150 Stirling Hwy  
Nedlands  
Western Australia 6009