

13 AUGUST 2017

ASX:BML

PLACEMENT AND COPPER DRILLING PROGRAM

ABN:

96 122 995 073

Issued Capital:

1,462,315,814 ordinary shares

Directors:

Mr Patrick Volpe (Chairman)
Mr Matt Hudson (Non-Executive)
Mr Steve Groves (Director/Geologist)

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About Botswana Metals

Botswana Metals is exploring for nickel, copper, cobalt, tantalum and lithium within its ~1,500 square kilometre exploration portfolio. These "new world" metals are becoming increasingly important as the world switches to cleaner sources of energy.

The company announced a maiden JORC Inferred Resource of 2.38Mt on 28th April 2015 from drilling within a small 185 square kilometre section of its exploration portfolio in which it had entered a joint venture with BCL. At the time cobalt was not included in the resource calculation.

Historical drilling outside of the joint venture ground has intercepted further nickel as well as significant intercepts of copper and cobalt.

A soil sampling program detected traces of lithium and tantalum which warrant further exploration.

Large tracts of BML's exploration portfolio remain unexplored.

PLACEMENT

The Board of Botswana Metals Limited is pleased to advise that it has executed a mandate with Xcel Capital Pty Ltd to raise \$362,000 (before costs) by the placement of 362,000,000 ordinary shares at an issue price of 0.1 cent (\$0.001) per share under the available placement capacity pursuant to ASX Listing Rules 7.1 and 7.1A.

It is expected that the funds will be received and the placement completed by Thursday 17 August. An Appendix 3B, Cleansing Statement and the additional information required by ASX Listing Rule 3.10.5A will be lodged once the shares are issued.

In accordance with ASX Listing Rule 3.10.5A, in relation to shares issued under the Company's ASX Listing Rule 7.1A capacity, details of the placement are:

Effect of raising

The effect of the announced placement on the capital structure of the Company is set out below:

	Number shares	Dilution
Shares on issue prior to placement	1,462,315,814	
Shares to be issued under ASX LR 7.1 capacity	219,347,372	12.0%
Shares to be issued under ASX LR 7.1A capacity	142,652,628	7.8%
Shares on issue after completion of placement	1,824,315,814	

The Board believes that the benefits flowing from funds being raised quickly in this placement outweigh the inability of shareholders to participate. The additional funds will allow further exploration at the Group's projects in Botswana and additional working capital.

Direct costs of the raising are 5% (plus GST) commission on funds raised under the Placement.

FUNDS TO DRILL PAST COPPER HITS AT DIABETE AND AIRSTRIP COPPER

The funds are intended to be used to commence a new exploration program and perform additional drilling at BML's Dibete and Airstrip copper and silver discoveries.

Airstrip and Dibete were last drilled in 2011 where previous drilling results included:

Dibete (See ASX announcement 27 January 2011)

- **38m @ 1.72% Cu and 119.5 g/t Ag** from DBRC014 (includes **10m @ 2.33% Cu and 126.5 g/t Ag**; **8m @ 3.86% Cu and 364.1 g/t Ag**; and **3m @ 9.16 % Cu and 894 g/t Ag**)
- **18m @ 1.99% Cu and 98.4 g/t Ag** from DBRC013 (includes **10m @ 3.11% Cu and 163.0 g/t Ag**)
- **18m @ 1.78% Cu and 28.9 g/t Ag** from DBRD006 (includes **5m @ 4.19% Cu and 92.5 g/t Ag**; and **9m @ 2.75% and 54.7 g/t Ag**)
- **17m @ 2.7% Cu 40.5g/t Ag** from 16m in DBRC081 (includes **3m @ 6.7% Cu and 44.5g/t Ag** from 24m; and **3m @ 4.7%Cu and 106.9g/t Ag** from 27m)

Airstrip (See ASX announcement 27 October 2011)

C6 Conductor

- High grades of up to **22% Cu** with **1,023g/t Ag** in narrow bornite veins (best **60% Cu and 2,833 g/t Ag** over narrow widths)

C12 Conductor

- **6m @ 2.7% Cu** plus **172g/t Ag** from 68m from ACDC067 (includes **1m @ 8.8% Cu** plus **214g/t Ag** from 70m)

Note: High grade Cu-Ag mineralisation is close to surface and potentially amenable to open pit methods

- **12m @ 1.8% Cu 42g/t Ag** from 33m in DBRC094 (includes **4m @ 4.2% Cu** and **95g/t Ag** from 37m)
- **11m @ 4.5% Cu 229.9g/t Ag** from 33m in DBRC028 (includes **3m @ 8.16% Cu** and **469g/t Ag**)
- **10m @ 3.9% Cu 110g/t Ag** from 43m in DBRC108 (includes **4m @ 9.2% Cu** and **268g/t Ag** from 43m)
- **9m @ 2.8% Cu 87.3g/t Ag** from 33m in DBRC107
- **6m @ 2.3% Cu 117g/t Ag** from 34m in DBRC097 (includes **2m @ 5.7% Cu** and **322.5g/t Ag** from 34m)

EXPLORATION PROGRAM

The Company is preparing a new exploration program to revisit its Airstrip and Dibete projects with the focus to confirm and further understand the encouraging high-grade copper and silver mineralisation present. The program will initially comprise close-spaced twin and infill drill holes to confirm the known mineralisation and generate new drill targets at these projects.

Introduction

Both the Dibete and Airstrip Cu+Ag prospects are located in BML's extensive exploration portfolio under PL110/94 and PL 111/94 in the Magogophate Shear Zone in North-eastern Botswana and are part of a JV agreement with BCL Investments Limited. Both projects were subject to a concentrated exploration campaign during 2010 – 2012 which included the drilled discoveries of high-grade copper and silver mineralisation at both projects. However, no copper and silver exploration has been performed since 2012 on these two discovery areas since a new JV between BCL /BML in 2012 in respect to these same prospecting licences was entered into. The JV focus has been to explore the Nickel opportunities. A new initial program to revisit and evaluate Dibete and Airstrip will commence.

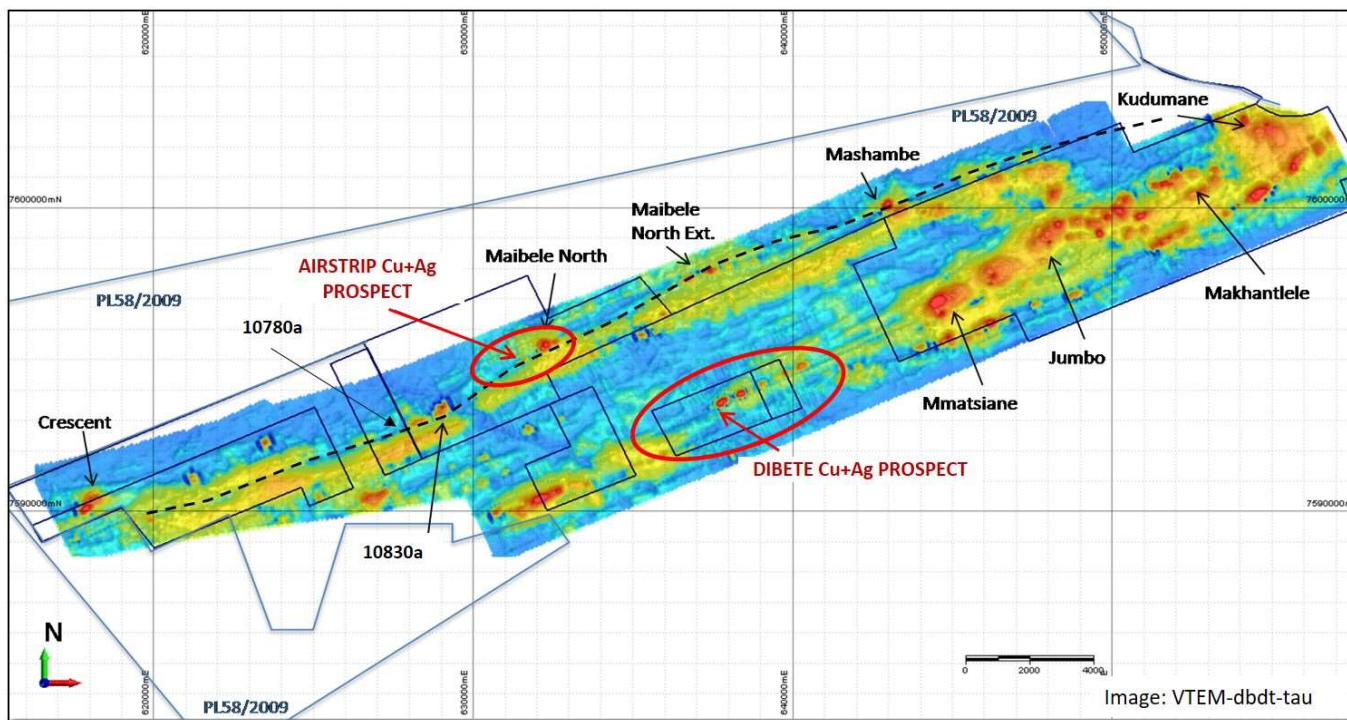


Figure 1: Location of the Airstrip and Dibete Prospects (highlighted in red) within BML's Magogophate exploration portfolio in North-eastern Botswana

BACKGROUND

Dibete

The Dibete prospect contains a significant supergene and primary copper and silver mineralisation in two shallow, sub-parallel locations. This mineralisation was discovered via exploration programs including soil sampling, airborne and ground geophysics and shallow RC and diamond drilling. The two mineralised areas total over 300m in cumulative strike length and have been drilled to a maximum depth of only about 60m below surface. The primary mineralisation is structurally controlled massive sulphide veins and both zones remain open along strike and at depth. Existing soil sampling and geophysical data suggests numerous analogous geochemical and structural settings exist in the area and present attractive additional exploration targets for similar styles of mineralisation.

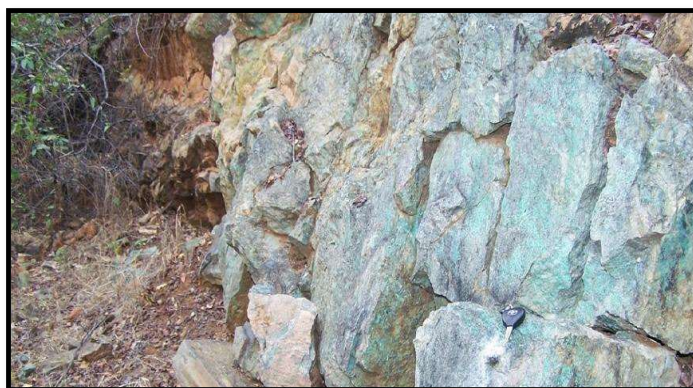


Figure 2: Outcropping secondary copper minerals in old workings at the Dibete Prospect

Airstrip

The Airstrip prospect lies along strike to the south-west of the Maibele North Ni+Cu+Co+PGE orebody and contains a number of discrete, extremely high-grade vein-controlled copper and silver shoots that are interpreted to overprint the southwest extension of the Maibele North orebody. The veins are narrow, structurally controlled and have been drilled to a maximum depth of approximately 150m below surface. All shoots remain open down plunge and are interpreted to lie at the intersection of northwest and northeast structural and geological trends. Numerous similar structural intersection zones are evident in the area, many of which are marked by very strong copper soil sample responses. These all present as very attractive targets for the further discovery of similar styles of mineralisation. In addition to the copper and silver potential at Airstrip, a number of high-grade nickel and cobalt intersections have been revealed in previous drill holes. These are interpreted to represent the southwest extension of the Maibele North orebody and further highlight the mineral potential of the area.



Figure 3: High-grade copper and silver mineralisation in bornite vein at Airstrip

Target Mineralisation Style

The high-grade copper and silver mineralisation at Airstrip and Dibete appear to be very similar in style and geology to the historically significant Messina Copper Deposits located approximately 230km to the south-east in South Africa. The Messina Copper district contains multiple high-grade copper deposits comprising breccia pipes, disseminated replacement and fissure deposits centred on NW-NE structural intersections within high-grade metamorphic rocks of the Limpopo Mobile Belt similar to those seen in the Magogophate Shear Zone. The Messina deposits were discovered initially by the recognition of narrow, high-grade copper veins close to surface, with the larger orebodies extending to over 1,400m depth spaced over a 15km strike zone. The area was mined from 1903 to 1993 and historical records estimate up to 42 million tons of ore at a grade of approximately 1.75% to 2% Cu were extracted at Messina. Similarities between Messina and Dibete/Airstrip, including the presence of narrow, extremely high-grade copper veins, spatial association of Karoo-aged dolerite dykes and mineralisation location on NW-NE structural and geological trends all suggest that this style of mineralisation is a valid and exciting new target type for the Magogophate Shear Zone.

The Board will keep the market informed as to the commencement of the proposed drill program design to revisit and retest previous drilling and both Dibete and Airstrip Copper.

Patrick Volpe
Chairman

Competent Person

The information in this report that relates to Exploration Results is based on, and fairly represents, information and supporting documentation compiled by BML staff on site and provided to Mr Steve Groves who is a Member of The Australian Institute of Geoscientists. Mr Groves is Director of, and a consulting geologist to BML and has previously been employed as the Exploration Manager at BML. Mr Groves has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Groves consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Update on the BCL Investments Joint Venture

KPMG have been appointed as Provisional Liquidators of BCL Investments (Pty) Ltd in October 2016. BML has requested that KPMG advise of their intentions in respect to the JV agreement. BML's ASX announcement titled "Update Regarding BCL Limited" dated 13 October 2016 provided details of BML's rights arising out of the provisional liquidation of BCL.

In summary:

Under the Farm-in Joint Venture Agreement if a party becomes insolvent (including being placed in provisional liquidation) then:

- (a) during the earning period (until a party has formally earned its interest) the solvent party may terminate the farm-in by notice to the insolvent party;
- (b) if a participant has earned its interest then:
 - (i) the solvent party may compulsorily acquire the interest of the insolvent party at an agreed price or, if a price cannot be agreed, at a price recommended by a qualified person as the fair market value of the interest; or
 - (ii) if there is no acquisition of the insolvent party's interest, the joint venture can be terminated and the assets are to be realised and the net proceeds, after paying any liabilities of the joint venture, are to be distributed to the participants in proportion to their interests.

KPMG have advised that they are reviewing all their joint venture party relationships and will advise of their position when they are able to do so.