BOTSWANA Metals Limited

ABN 96 122 995 073

ASX Code: BML

TO: COMPANY ANNOUNCEMENTS OFFICE
ASX LIMITED

DATE: 27 July 2016

JV DRILLING AT TAKANE TO TEST POTENTIAL NEW MINERALISED ZONE

HEAD LINES:

Three priority bulls eye target areas for four holes to be drilled.

Based on:

- **Soil geochemistry**
- **VTEM airborne survey anomalies**
- **SQUID ground EM conductors**
  - **Every SQUID conductor so far drilled at the nearby Maibele North Deposit has hit sulphide mineralisation**
  - **SQUID EM is a very effective sulphide exploration tool in this region**

Target is for Nickel + Copper +Cobalt +PGEs

The Board of Botswana Metals ("BML") is pleased to advise that JV partners, BCL Limited, have commenced regional exploration drilling into three of 23 highly prospective Ni-sulphide targets on PL54/1998. A program of four deep holes will test several very attractive Ni-sulphide targets that are marked by prominent VTEM anomalies and corresponding SQUID EM conductors coincident with ultramafic intrusions and anomalous Cu and Ni soil geochemistry.

Botswana Metals Limited
Mailing Address Suite 3, 16 Cotham Road, Kew, Victoria 3101
Registered Office Suite 506, Level 5, 1 Princess Street, Kew, Victoria 3101
P: +61 3 9855 1885; F: +61 3 9855 2885
Email info@botswanametals.com.au
www.botswanametals.com.au

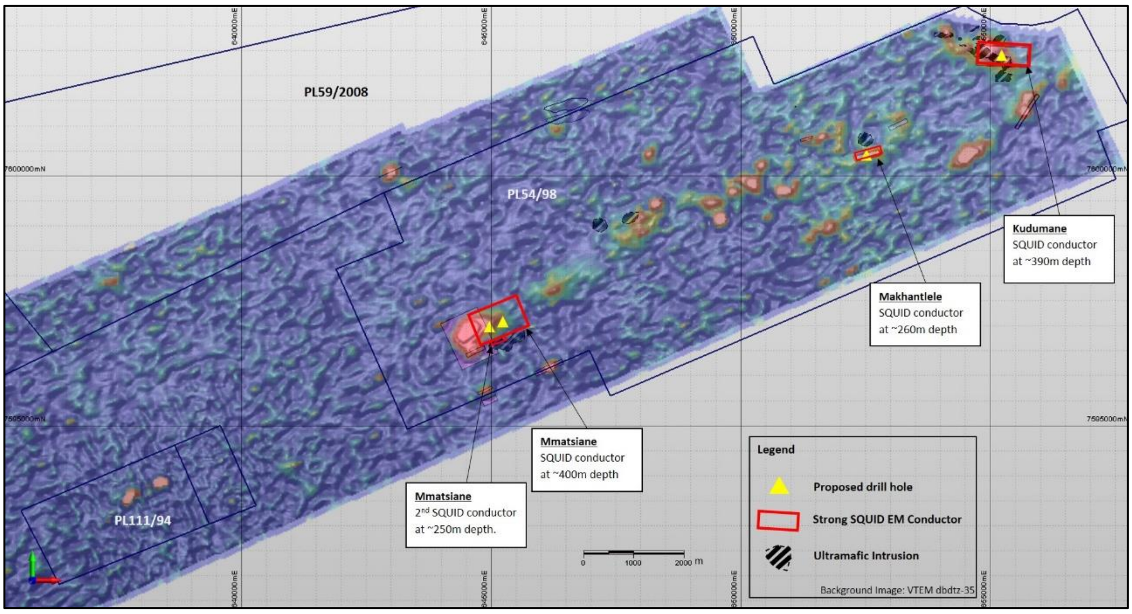

Figure 1: Regional plan view of PL54/98 showing the SQUID EM conductors (Red Rectangles) to be targeted by diamond drilling (Holes indicated by yellow triangles).

Program Details

The drill program will comprise 4 vertical diamond holes for an anticipated total of 1600m. The holes will be located across three high-priority regional targets on the JV PL54/98 – Takane licence (Table 1, Figure 1). The three targets include Kudumane (Kudu1), Makhantlele (Mak1) and Mmatsiane (Mmats1).

Kudu1

This area contains a very promising conductor plate that corresponds with strong magnetic residual anomalies. The 1km x 400m plate is relatively flat-lying and occurs at approximately 390m below the surface. A large ultramafic body is interpreted to occur coincident with the conductor and a number of other large conductive bodies as indicated by the VTEM survey occur within the target zone. Elevated nickel and copper responses have previously been revealed in soil geochemical sampling.

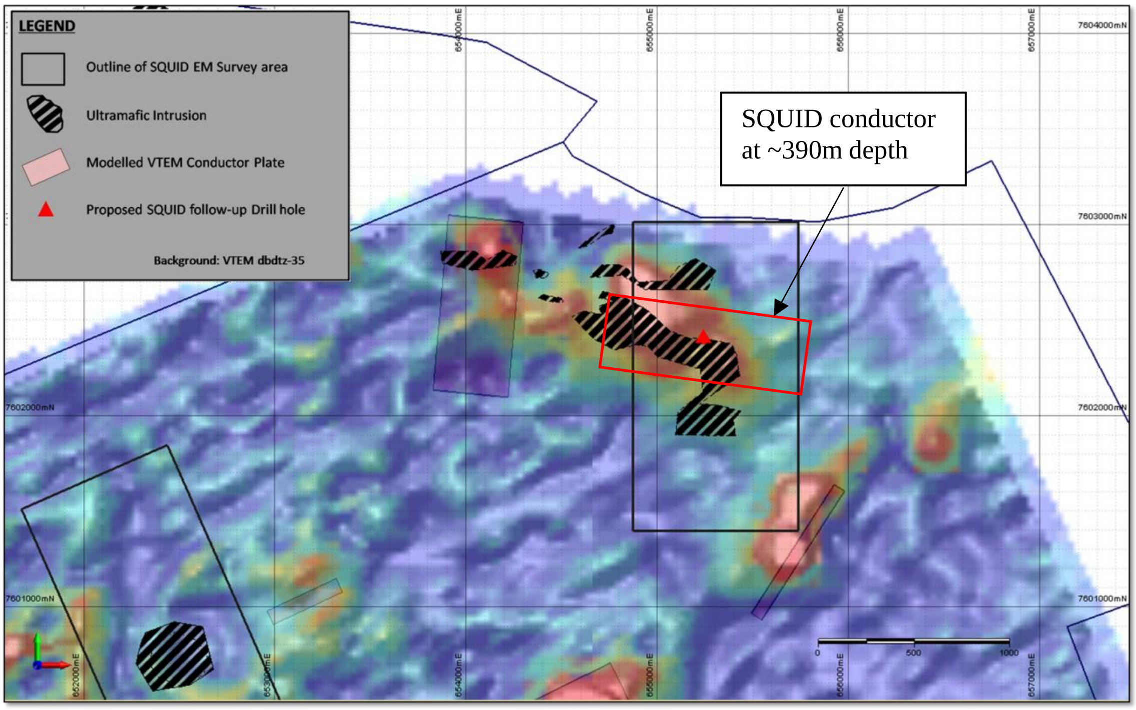

Figure 2: Kudu T1 Prospect: Location of the SQUID Survey (black rectangle) in relation to the VTEM anomalies (red blobs), VTEM conductor plates (faint pink rectangles) and mapped ultramafic bodies (black hashed shape). The red triangles indicate the position of the proposed drill holes. Note the size of the conductive anomalies coincident with the ultramafic intrusions and that the SQUID survey only covered a portion of the prospective terrain.

Makhantlele

This prospect contains a very strong conductor at 260m depth on the southern contact zone of an interpreted ultramafic intrusion. The plate is over 500m in strike length and models as relatively flat-lying zone. Further VTEM conductors surround the ultramafic intrusion and remain to be surveyed using the SQUID EM method. Elevated nickel and copper responses have previously been revealed in soil geochemical sampling.

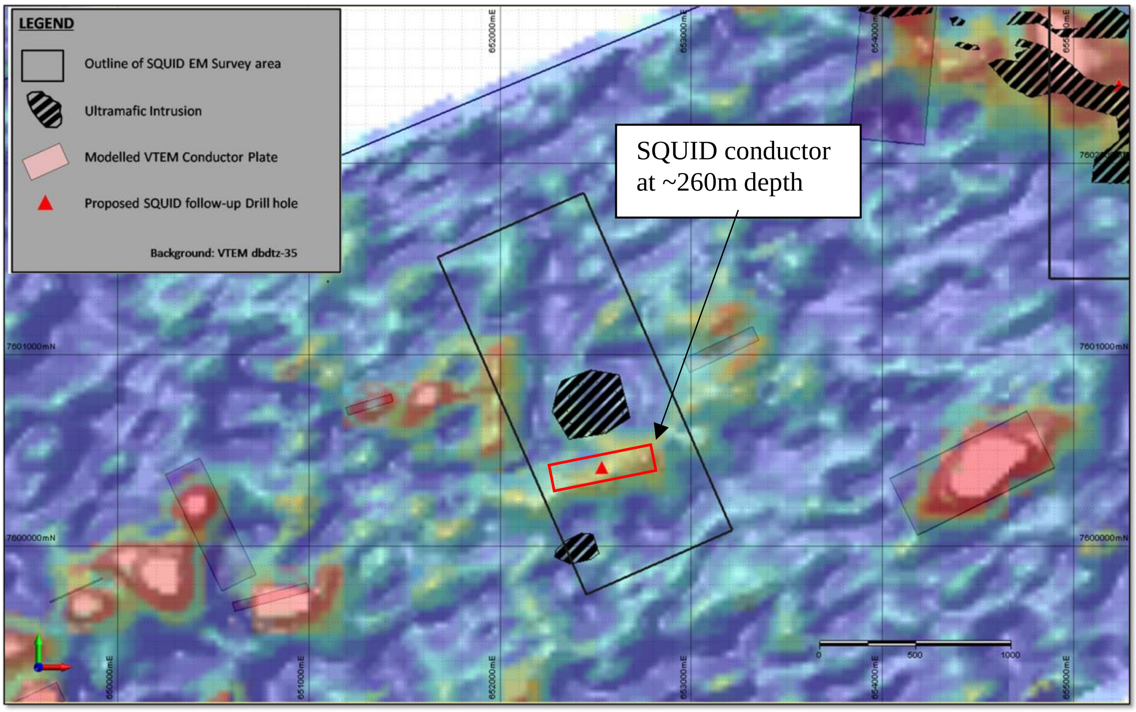

Figure 3: Mak T1 Prospect: Location of the SQUID Survey (black rectangle) in relation to the VTEM anomalies (red blobs), VTEM conductor plates (faint pink rectangles) and mapped ultramafic bodies (black hashed shape). The red triangles indicate the position of the proposed drill holes. Note the conductors surrounding the ultramafic intrusion and that the SQUID survey only covered a portion of the prospective terrain.

Mmatsiane

This prospect contains a large (>1km), strongly conductive plate at a depth of approximately 400m. The plate is interpreted to lie on the contact of an ultramafic intrusion and presents as a very attractive drill target. The survey also identified a very strong, shallow conductive plate also spatially associated with an interpreted ultramafic intrusion. Elevated nickel and copper responses have previously been revealed in soil geochemical sampling.

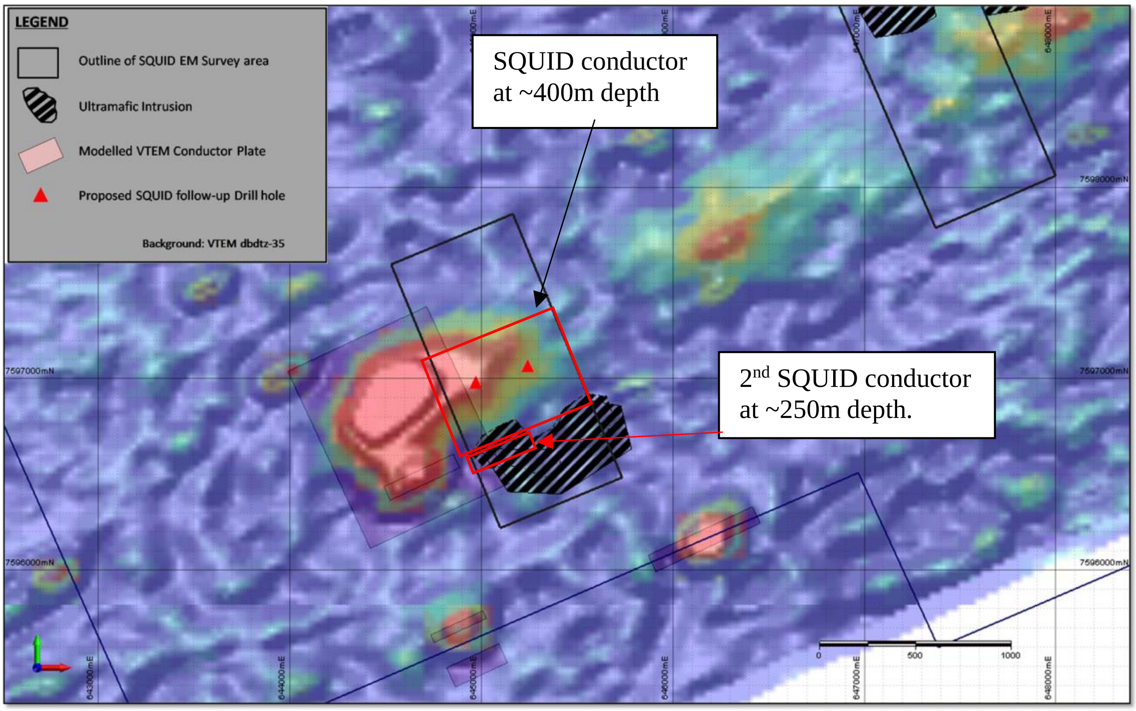

Figure 4: Mmats T1 Prospect: Location of the SQUID Survey (black rectangle) in relation to the VTEM anomalies (red blobs), VTEM conductor plates (faint pink rectangles) and mapped ultramafic bodies (black hashed shape). The red triangles indicate the position of the proposed drill holes

Table 1: Drill hole details for the program

Propsect	East	North	Dip	Depth	Comment
Kudu1	655239E	7602406N	-90	425m	Very large conductor with EM response reminiscent of pyrrhotite
Mak1	652533E	7600410N	-90	300m	Very Strong conductor
Mmats 1	644976E	7596981N	-90	425m	Very large, strong conductor
Mmats 1	645245E	7597068N	-90	450m	Same conductor as above

The Board of BML is extremely excited to see the first regional exploration drill holes targeting nickel sulphide mineralisation undertaken in the Magogophate Shear Zone. The area is over 10km away from the advanced Maibele North project and any discovery here would transform the Magogophate Shear Zone into a new mineralised province in Eastern Botswana.

The market will be kept informed as results from the program are received.

Patrick Volpe
Chairman

BOTSWANA Metals Limited

ABN 96 122 995 073

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 Australasian Institute of Geoscientists. Mr Groves is 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.

APPENDIX 1 – JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

CRITERIA	JORC Code Explanation	Commentary
Sampling techniques	*- Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* *- Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* *- Aspects of the determination of mineralisation that are Material to the Public Report.* *-In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure*	**Sample geochemical data referenced in this release are from surface soil sampling programs.** • **Where referenced, soil samples are taken at regular spacing from an appropriate grid across a prospective area** • **The top 5cm of material above and below the site must be removed to avoid contamination issues. Samples to be taken from the B horizon at depths of approximately 30 - 45cm.** • **Soil is then taken from the bottom of the pit and a 2Kg bulk sample (approx) will be taken at each site. Sample preparation will vary from project to project. Samples may be sieved to separate the coarse and fine fractions for analysis** • **The parameters describing this sample location are collected on the**

CRITERIA	JORC Code Explanation	Commentary
	of detailed information.	**soil sample sheet and these must be completed as fully as possible** • **The Sample_ID should be confirmed with the sample location. The Sample_ID must be written on the outside of the kraft geochem packet. A sample ticket must be dropped into the geochem envelope.** • **The sample ticket tag must be completed with the Data and Time of Sampling and the person who sampled. It must be completed in PEN, not in pencil.** • **Do not wear jewellery.** • **All soil samples referenced in this release were assayed at an independent laboratory (ALS, South Africa) via the AQUA-REGIA ACID DIGESTION AND ICP-AES method before interpretation** • **No new drilling has been referenced in this release. Any reference to drill holes relates to historic holes.**
Drilling techniques	- *Drill type (eg core, reverse circulation ,open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face sampling bit or other type, whether core is oriented and if so, bywhat method, etc).*	• **No new drilling has been referenced in this release. Any reference to drill holes relates to historic holes.** • **Historic holes have been either NQ core, HQ core or Reverse Circulation percussion methods**
Drill sample recovery	- *Method of recording and assessing core and chip sample recoveries and results assessed.* - *Measures taken to maximise sample recovery and ensure representative nature of the samples.* - *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• **No new drilling has been referenced in this release. Any reference to drill holes relates to historic holes.**

CRITERIA	JORC Code Explanation	Commentary
Logging	- *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* - *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* - *The total length and percentage of the relevant intersections logged.*	• **No new drilling has been referenced in this release. Any reference to drill holes relates to historic holes.**
Sub-sampling techniques and sample preparation	- *If core, whether cut or sawn and whether quarter, half or all core taken.* - *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* - *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* - *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* - *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* - *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• **No new drilling has been referenced in this release. Any reference to drill holes relates to historic holes.** - **For soil sampling:** - **The insertion of QA/QC samples is undertaken. Blanks, standards or field duplicates are added approximately every twenty samples. Good blank material is pool filter sand. Low grade standards are recommended over high grade as the assay values are likely to be at lower levels.** - **Field duplicates must be a portion of a larger sample collected in the field so as to reflect a good reproducibility (i.e. collect sample, sieve and split into two samples, one original and one duplicate).**
`Quality of assay data and laboratory tests	- *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* - *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* - *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	- **Any new soil results discussed in this release have been analysed in the field using a handheld XRF machine.** - **The details of the instruments used include:** - **Olympus Innov-X Delta Premium portable XRF analyzer is used with a Rhenium anode in soil and mines mode at a tube voltage of 40kV and a tube power of 200µA. The resolution is around 156eV @ 40000cps. The detector area is 30mm2 SDD2. A power source of Lithium ion batteries is used. The element range is from P (Z15 to U**

CRITERIA	JORC Code Explanation	Commentary
		(Z92). A cycle time of 120 seconds Soil Mode was used and beam times were 40 seconds. A propylene3 window was used. No calibration factors were applied. - Blanks and standards are analysed at after every 5th XRF sample. - Surface XRF analysis of this type is used to determine element anomalism relative to a regional background. Concentrations are considered approximate only and anomalism is determined as statistically relative to the determined regional background levels.
Verification of sampling and assaying	- *The verification of significant intersections by either independent or alternative company personnel.* - *The use of twinned holes.* - *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* - *Discuss any adjustment to assay data.*	- **The data were examined by the senior personnel on site.** - **The primary data were audited and verified and then stored in a SQL relational data base.** - **No data have been adjusted..**
Location of data points	- *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* - *Specification of the grid system used.* - *Quality and adequacy of topographic control.*	• **The data were recorded in longitude/latitude WGS84.** • **The terrain is largely flat.** • **Soil sampling points and geophysical survey lines are located on the ground using a handheld GPS with an accuracy of <5m** • **All historic drillholes have been surveyed using DGPS with an accuracy of <1m.**
Data spacing and distribution	- *Data spacing for reporting of Exploration Results.* - *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* - *Whether sample compositing has been applied.*	• **Soil Samples are typically taken from a grid established over the prospective area.** • **Sample lines are spaced is at an interval deemed appropriate to cover the features of interest (e.g. 200m or 100m)** • **Sample spacing along lines is at an interval deemed appropriate to cover the features of interest (e.g. 50m**

CRITERIA	JORC Code Explanation	Commentary
		spacing) • Areas of anomalous response are often followed up with infill soil sampling lines between the original lines (e.g.100m or 50m spacing)
Orientation of data in relation to geological structure	- *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* - *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• **Soil sample lines are generally orientated perpendicular to the geological or interpreted structural or mineral trends of interest** • **Sample spacing along lines is at an interval deemed appropriate to cover the features of interest (e.g. 25m,50m or 100m spacing)**
Sample security	- *The measures taken to ensure sample* - *security.*	• **Samples were taken and transported by BML personnel to the BML site office Prior to analyses the samples are locked in the BML office**
Audits or reviews	- *The results of any audits or reviews of* - *sampling techniques and data.*	- **The data were examined by the independent consultant Mr Steve Groves of Perth in Australia and considered appropriate**

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

CRITERIA	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	- *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* - *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• **The results reported in this** **Announcement are located in PL54/98 which is a granted Exploration Licence held by African Metals Limited, a 100% owned subsidiary of Botswana Metals Limited.** • **PL54/98 is subject to a Joint Venture agreement with BCL Limited.** • **PL54/98 was recently extended for a further two years and is in good standing.**

CRITERIA	JORC Code Explanation	Commentary
Exploration done by other parties	- *Acknowledgment and appraisal of exploration by other parties.*	• **All interpretations and conclusions in this announcement are based on results generated by historic exploration work conducted by Roan Selection Trust, Falconbridge, Cardia Mining and Botswana Metals.** • **Botswana Metals considers all previous exploration work to have been undertaken to an appropriate professional standard**
Geology	- *Deposit type, geological setting and style of mineralisation.*	• **The Prospecting Licence PL54/98 is hosted within the Magogaphate Shear Zone - a major geological structural feature, generally considered to mark the boundary between the Archaean aged (>2.5 billion year old) Zimbabwean Craton and the Limpopo Belt or Limpopo Mobile Zone (LMZ). . The nickel-copper deposits of Selebi Phikwe lie within the northern part of the Central Zone of the Limpopo Mobile Belt, whilst the nickel copper deposits of Phoenix, Selkirk and Tekwane lie in the Zimbabwean Craton. The Central Zone of the LMZ comprises variably deformed banded gneisses and granitic gneisses, infolded amphibolites and ultramafic intrusions that that have the potential to host Ni-Cu sulphide mineralization. Ni-Cu-PGE mineralization at Maibele North and Airstrip copper is spatially associated with an ultramafic intrusion.**

CRITERIA	JORC Code Explanation	Commentary
Drill hole Information	- *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* - *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• **N/A**
Data aggregation methods	- *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* - *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* - *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• **N/A**
Relationship between mineralisation widths and intercept lengths	- *These relationships are particularly important in the reporting of Exploration Results.* - *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* - *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• **N/A**

CRITERIA	JORC Code Explanation	Commentary
Diagrams	- *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• **Plan view and/or cross section maps of the reported exploration results are included in this announcement.**
Balanced reporting	- *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• **No grades or drill intercepts are referred to in this announcement.** • **Reference is made to interpreted geophysical and/or geochemical anomalies that have been delineated by relative comparisons to background responses.**

Other substantive exploration data	- *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• **Interpretations in this release have incopratated data, images and models from airborne and ground geophysical surveying.**
		• **In 2011, a comprehensive helicopter-borne VTEM (Versatile Time Domain Electromagnetic) Survey was undertaken across BML's tenements in Botswana**
		• **The survey included the collection of EM, magnetic and terrain data.**
		    • **Flight height - 75m**
		    • **Line Spacing – 150m**
		• **Data processing and model construction was undertaken offsite by consultant geophysicists**
		• **In 2015, ground geophysical surveys were undertaken using the SQUID EM technology. These were fixed loop surveys using a variety of line lengths and sample spacing, as recommended by the consultant geophysicist. All processing and modelling of data was completed off site by Cas Lotter of Spectral Geophysics, Gaborone, Botswana.**

Further work	- *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* - *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• **This announcements describes the immediate work program for BML's regional exploration areas.** • **Early stage work such as geological mapping, soil sampling and ground geophysics will be undertaken with a view to generating drill targets in prospective areas**