



ABN 96 122 995 073

**TO: COMPANY ANNOUNCEMENTS OFFICE  
ASX LIMITED**

**DATE: 11 MARCH 2009**

**HALF-YEAR REPORT AND APPENDIX 4D FOR THE PERIOD ENDED 31 DECEMBER  
2008**

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Please find following the Half-Year Report and the Appendix 4D disclosure required per Listing Rule 4.2A.3 for the period ended 31 December 2008.

**Pat Volpe  
Chairman**

**Botswana Metals Limited**

REGISTERED OFFICE

Suite 5.10, 737 Burwood Rd, Hawthorn, Australia

Telephone +61 3 9813 5888 Facsimile +61 3 9813 2668

Email: [info@botswanametals.com.au](mailto:info@botswanametals.com.au)

[www.botswanametals.com.au](http://www.botswanametals.com.au)

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# **BOTSWANA METALS LIMITED AND ITS CONTROLLED ENTITIES**

**ACN 122 995 073**

## **HALF-YEAR REPORT 31 DECEMBER 2008**

**Lodged with the ASX under Listing Rule 4.2A**

**This information should be read in conjunction with the 30 June 2008 Annual Report.**

**BOTSWANA METALS LIMITED AND ITS CONTROLLED ENTITIES  
HALF-YEAR REPORT – 31 DECEMBER 2008****CONTENTS**

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## CORPORATE DIRECTORY

**Directors:** Mr Patrick John Volpe (Executive Chairman)  
Mr Henry James Stacpoole  
Dr Andrew James Tunks  
Dr Paul Woolrich (appointed 22 January 2008)

**Company Secretary:** Mr Richard Baker

**Registered Office:** Suite 5.10, Level 5  
737 Burwood Road  
HAWTHORN VIC 3122  
Telephone (03) 9813 5888  
Facsimile (03) 9813 2668

**Share Registry:** Advanced Share Registry Limited  
150 Stirling Highway  
NEDLANDS WA 6009  
Telephone (08) 9389 8033  
Facsimile (08) 9389 7871

**Bankers:** National Australia Bank  
110 Church Street  
RICHMOND VIC 3121

**Auditors:** Webb Audit Pty Ltd  
Cnr Toorak & Auburn Roads  
HAWTHORN EAST VIC 3123

**Lawyers:** Menzies and Partners  
Level 9, 356 Collins Street  
MELBOURNE VIC 3000

**Stock Exchange:** ASX Limited  
Level 45, Rialto South Tower  
525 Collins Street  
MELBOURNE VIC 3000

**DIRECTORS' REPORT**

Your Directors submit the financial report on the consolidated entity consisting of Botswana Metals Limited ("BML") and the entities it controlled at the end of, or during the half-year ended 31<sup>st</sup> December 2008.

**DIRECTORS**

The following persons were Directors of Botswana Metals Limited ("BML") during or since the end of the half-year:

Mr Patrick John Volpe  
Mr Henry James Stacpoole  
Dr Andrew James Tunks  
Dr Paul Woolrich (appointed 22 January 2008)

**REVIEW OF OPERATIONS****Corporate Activity**

The Company has \$6,837,550 in the Bank as at 31 December 2008.

**1. *Board Restructure***

Effective the 1<sup>st</sup> November 2008, Mr Volpe remains the executive Chairman of BML and Dr Andrew Tunks role was changed to a non-executive director.

**2. *Review of Corporate and Operating Expenses***

As a result of the current global environment and down-turn in metal prices, the Board has suspended drilling and down-scaled its exploration activities in Botswana and continues to review the Company's Corporate and Operating costs.

**3. *Joint Ventures***

The Company is seeking joint venture partners for its Botswana exploration portfolio. The Company will look at any other opportunities that may fast track the growth of BML with the objective of enhancing shareholder wealth.

## Exploration Report for the six months to December 2008

The following is a summary of exploration activities conducted since July 2008.

### PL111/94 - MOKOSWANE

#### Mmamanaka Prospect

##### DRILLING RESULTS

The major exploration activity over the six months since July 2008 was the drilling program at the companies Mmamanaka prospect in Botswana. The drilling did not encounter significant intercepts of Nickel, Copper or PGE mineralisation.

The assay results have shown the sulphides to be nickel-poor and have returned no intersections of economic significance (Table 1). Elevated nickel values of between 0.1% – 0.24% have, however, been recorded in broad intersections from the ultramafic host rocks though little or no sulphides are associated with these zones. It is interpreted that the nickel in these intersections is within the rock-forming silicate minerals and hasn't undergone the necessary ore-forming processes to enable concentration of nickel in the sulphide minerals.

Table 1: Significant sulphide intersections from the recent Mmamanaka drilling

| HoleID   | From | To  | Length<br>(down Hole) | Ni%  | Cu%  | Comments   |
|----------|------|-----|-----------------------|------|------|--|
| MMRC0006 | 99   | 102 | 3m                    | 0.01 | 0.04 | heavily disseminated py +po in amphibolite       |
| MMRC0008 | 121  | 125 | 4m                    | 0.01 | 0.02 | heavily disseminated py +po in amphibolite       |
| MMRC0010 | 112  | 116 | 4m                    | 0.01 | 0.04 | semi-massive to massive po+py+cpy in amphibolite |
| and      | 119  | 121 | 2m                    | 0.01 | 0.02 | semi-massive po+py+cpy in amphibolite            |
| MMRC0011 | 102  | 123 | 21m                   | 0.00 | 0.01 | heavily disseminated to semi-massive po + py     |
| Incl     | 102  | 104 | 2m                    | 0.00 | 0.01 | Semi-massive po + py                             |

### PL110/94 - MAGOGOPHATE

#### Maibele North

##### GEOPHYSICS

Interpretation and modelling for the ground Electro Magnetic (EM) surveying at Maibele North have been received during the six month period to December 2008 and have revealed at least two moderate conductors at the very western end of the prospect. This area also contains the **Airstrip Copper prospect**, where strong copper mineralisation can be observed at surface.

**PL46/2004 - SAMPOWANE**

Sampowane is only 15km from the major Selebi Phikwe Ni-Cu mine.

Four diamond drill holes were completed in the 1990's by previous explorer Falconbridge at Sampowane, with results showing low grade and narrow width massive sulphide intersections containing Ni+Cu+PGE. The modelled Time Domain Electro Magnetic (TDEM) conductors correlate well with the drill intersections, extend the mineralised zones significantly and show that the strongest sections of the conductors haven't been effectively tested by drilling.

**GEOPHYSICS**

A further 4 lines of TDEM surveying was completed at Sampowane early in the December 2008 quarter. This work extended the survey a further 300m to the east and closed off the strong conductor recorded in the previous survey.

Models of conductive thickness have been received for the Sampowane TDEM surveying and are extremely encouraging, with numerous high-quality drill targets evident. EM conductive thicknesses are very strong and are at levels normally associated with significant massive sulphide occurrences. There are at least three separate conductors that stretch for a cumulative strike length of over 1km and are open to the east (an airborne EM anomaly extends for a further ~4km east of Sampowane). The previous four diamond holes drilled by Falconbridge at Sampowane all returned massive sulphide intersections containing Ni+Cu+PGE. The modelled TDEM conductors correlate well with the drill intersections, extend the mineralised zones significantly and show that the strongest sections of the conductors haven't been effectively tested by drilling.

**PL14/2003 - MAJANTE****GEOPHYSICS**

A total of 36 line km of ground TDEM surveying was completed at the Majante prospect during the December 2008 quarter. The survey covered an area of ultramafic rocks coincident with very strong Ni and Cu soil geochemical anomalies and significant airborne EM (GEOTEM) anomalies. Modelling of the TDEM results has shown multiple conductors and at least two major zones of conductivity thickness values indicative of significant sulphide occurrences.

**CRESCENT**

Modelling of conductors identified in the 39.6 line km of TDEM surveying completed at Crescent (3<sup>rd</sup> quarter, 2008) was received late in October. This program covered mapped amphibolite and serpentinite rocks coincident with strong geochemical anomalies and was undertaken to provide greater geological clarity for the planning of drill holes.

The results show a number of significant conductors, including a continuous 2km long conductor of moderate conductivity thickness extending across the project. Several gossans and elevated soil geochemical responses are associated with this conductor. An additional 2 conductors are associated with ultramafic bodies coincident with strongly elevated Ni-in-soil geochemistry.

All historical drilling at Crescent has failed to test any of the prospective horizons and the recent work by BML has highlighted the value in the exploration techniques the company is using in the search for Ni-Cu mineralisation in the Magogophate Shear Zone.

## PL54/98 - TAKANE

Line clearing of the regional EM grid commenced during October. A total of 41 line km of TDEM surveying at 200m line spacing was completed in PL54/98 during the quarter. The survey was designed to cover numerous strong GEOTEM (airborne EM) anomalies associated with elevated Ni soil geochemistry and some ultramafic bodies.

Preliminary models of this work are extremely encouraging.

## Tenement Status

During the half year there were changes to the following Prospecting Licences held by the Company's subsidiary in Botswana, African Metals (Pty) Ltd, by the Department of Geological Survey:

| Prospecting Licence Number | Name        | Area in square kilometres | Change    | Expiry Date       |
|----------------------------|-------------|---------------------------|-----------|-------------------|
| PL 110/94                  | Magogaphate | 24.10                     | Extension | 30 September 2010 |
| PL 111/94                  | Mokoswane   | 31.40                     | Extension | 30 September 2010 |
| PL 54/98                   | Takane      | 71.20                     | Extension | 30 September 2010 |
| PL14/2003                  | Majante     | 40.38                     | Renewal   | 31 March 2009     |
| PL360/2008                 | Mmadinare   | 456.20                    | Granted   | 30 September 2011 |

PL14/2003 was renewed for one year only instead of two years. African Metals (Pty) Ltd has requested that this be corrected as soon as possible and the corrected expiry date will be 31 March 2010.

## EVENTS SUBSEQUENT TO REPORTING DATE

### Issue of options

On 2 February 2009 the Company issued 100,000 options to staff employed by the Company pursuant to the "Executive and Employee Option Plan" approved by shareholders at the General Meeting held 2 July 2008.

### Tenement granted

A new prospecting licence PL158/2009 – Lepokole was granted in January 2009. PL158/2009 was granted for 3 years, expiring 31 December 2011 for the right to prospect for metals and covers 397.5 square kilometres.

**AUDITOR'S DECLARATION**

The auditors' independence declaration under section 307C of the Corporations Act 2001 is set out on page 8.

This report is made in accordance with a resolution of the Directors made on 11 March 2009.

A handwritten signature in purple ink, appearing to read 'P.J. Volpe', is positioned above the printed name and title.

P.J. VOLPE

**Director**

Dated this 11<sup>th</sup> day of March 2009  
Hawthorn, Victoria



11 March 2009

The Board of Directors  
Botswana Metals Limited  
Suite 5.10, Level 5  
737 Burwood Road  
HAWTHORN VIC 3122

Dear Board Members

**AUDITOR'S INDEPENDENCE DECLARATION  
IN ACCORDANCE WITH SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF BOTSWANA METALS LIMITED**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Botswana Metals Limited.

As lead audit partner for the review of the financial report of Botswana Metals Limited for the half-year ended 31 December 2008, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

A handwritten signature in black ink, appearing to read "Jeffrey Luckins". The signature is written in a cursive, flowing style.

**Jeffrey Luckins**  
Director  
Webb Audit Pty Ltd

Dated in Melbourne on this 11<sup>th</sup> day of March 2009

**Webb Audit Pty Ltd**  
ABN 59 116 151 136

A member of the Webb Group  
Cnr Toorak & Tooronga Roads Hawthorn East Vic 3123 Australia  
PO Box 185 Toorak Vic 3142 Australia  
Telephone +61 3 9822 8686 Facsimile +61 3 9824 8578  
audit@webbgroup.com.au [www.webbgroup.com.au](http://www.webbgroup.com.au)

**CONSOLIDATED INCOME STATEMENT**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

|  | 31/12/2008       | 31/12/2007       |
|--|------------------|------------------|
|  | \$               |                  |
| Revenue  | 238,707          | 43,759           |
| Administration   | (98,720)         | (44,772)         |
| Depreciation   | (792)            | -                |
| Directors' Remuneration  | (160,450)        | (85,000)         |
| Employment & Consultancy                                       | (262,538)        | (174,054)        |
| Professional Fees  | (14,445)         | (2,892)          |
| Travel & Marketing   | (42,082)         | (2,825)          |
| Other expenses from ordinary activities                        | (33,033)         | (1,463)          |
| <b>Loss from Ordinary Activities before Income Tax Expense</b> | <b>(373,353)</b> | <b>(267,427)</b> |
| Income Tax Expense   | -                | -                |
| <b>Loss from Ordinary Activities after Income Tax Expense</b>  | <b>(373,353)</b> | <b>(267,427)</b> |
| <b>Earnings per share:</b>                                     |                  |                  |
| Basic earnings per share (cents per share)                     | (0.35)           | (3.04)           |
| Diluted earnings per share (cents per share)                   | (0.33)           | (3.04)           |

*The accompanying notes form part of these financial statements*

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2008**

|  | <b>Economic Entity</b> |                   |
|--|------------------------|-------------------|
|  | <b>31/12/2008</b>      | <b>30/6/2008</b>  |
|  | <b>\$</b>              | <b>\$</b>         |
| <b>Assets</b>                                |                        |                   |
| <b>Current Assets</b>                        |                        |                   |
| Cash and cash equivalents                    | 6,837,550              | 8,013,577         |
| Trade and other receivables                  | 77,625                 | 720               |
| <b>Total Current Assets</b>                  | <b>6,915,175</b>       | <b>8,014,297</b>  |
| <b>Non-Current Assets</b>                    |                        |                   |
| Investment accounted for using equity method | 500,110                | 500,110           |
| Plant and equipment                          | 235,055                | 104,105           |
| Capitalised exploration and expenditure      | 3,525,964              | 2,320,771         |
| <b>Total Non-Current Assets</b>              | <b>4,261,129</b>       | <b>2,924,986</b>  |
| <b>Total Assets</b>                          | <b>11,176,304</b>      | <b>10,939,283</b> |
| <b>Current Liabilities</b>                   |                        |                   |
| Trade and other payables                     | 161,501                | 140,383           |
| <b>Total Current Liabilities</b>             | <b>161,501</b>         | <b>140,383</b>    |
| <b>Non-Current Liabilities</b>               |                        |                   |
| Trade and other payables                     | -                      | -                 |
| <b>Total Non-Current Liabilities</b>         | <b>-</b>               | <b>-</b>          |
| <b>Total Liabilities</b>                     | <b>161,501</b>         | <b>140,383</b>    |
| <b>Net Assets</b>                            | <b>11,014,803</b>      | <b>10,798,900</b> |
| <b>Equity</b>                                |                        |                   |
| Issued capital                               | 9,576,827              | 9,478,142         |
| Reserves                                     | 2,318,510              | 1,827,939         |
| Accumulated losses                           | (880,534)              | (507,181)         |
| <b>Total Equity</b>                          | <b>11,014,803</b>      | <b>10,798,900</b> |

*The accompanying notes form part of these financial statements*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF- YEAR ENDED 31 DECEMBER 2008

|  | Issued<br>Share<br>Capital | Reserves<br>&<br>Accumulated<br>Losses | Foreign<br>Currency<br>Translation<br>Reserve | Total<br>Equity   |
|--|----------------------------|--|---|-------------------|
|  | \$                         | \$                                     | \$  | \$                |
| <b>Balance at 1/7/2007</b>                                       | (14,999)                   | (9,915)                                | -   | (24,914)          |
| Shares/Options issued during the year                            | 9,542,175                  | -                                      | -   | 9,542,175         |
| Movement of foreign currency translation Reserve                 | -                          | -                                      | -   | -                 |
| Profit/(Loss) attributable to members of Botswana Metals Limited | -                          | (267,427)                              | -   | (267,427)         |
| <b>Balance at 31/12/2007</b>                                     | <b>9,527,176</b>           | <b>(277,342)</b>                       | <b>-</b>                                      | <b>9,249,834</b>  |
| <b>Balance at 1/7/2008</b>                                       | 9,478,142                  | 1,914,938                              | (594,180)                                     | 10,798,900        |
| Shares/Options issued during the half-year                       | 98,685                     | -                                      | -   | 98,685            |
| Movement of foreign currency translation Reserve                 | -                          | -                                      | 490,571                                       | 490,555           |
| Profit/(Loss) attributable to members of Botswana Metals Limited | -                          | (373,353)                              | -   | (373,353)         |
| <b>Balance at 31/12/2008</b>                                     | <b>9,576,827</b>           | <b>1,541,585</b>                       | <b>(103,609)</b>                              | <b>11,014,803</b> |

*The accompanying notes form part of these financial statements*

**CONSOLIDATED CASH FLOWS STATEMENT**  
**FOR THE HALF- YEAR ENDED 31 DECEMBER 2008**

|  | <b>Economic Entity</b> |                   |
|--|------------------------|-------------------|
|  | <b>31/12/2008</b>      | <b>31/12/2007</b> |
|  |                        | \$                |
| <b>Cash Flows from Operating Activities</b>                    |                        |                   |
| Payments to suppliers and employees                            | <b>(543,614)</b>       | 277,145           |
| Interest received  | <b>238,707</b>         | 43,579            |
| <b>Net cash provided by (used in) operating activities</b>     | <b>(304,907)</b>       | 320,724           |
| <b>Cash Flows from Investing Activities</b>                    |                        |                   |
| Loans to related parties                                       | -                      | 391,263           |
| Purchase of non-current assets                                 | <b>(156,067)</b>       | -                 |
| Exploration expenditure  | <b>(1,205,193)</b>     | -                 |
| <b>Net cash provided by (used in) investing activities</b>     | <b>(1,361,260)</b>     | 391,263           |
| <b>Cash Flows from Financing Activities</b>                    |                        |                   |
| Proceeds from issue of shares / options                        | <b>(431)</b>           | 9,542,175         |
| <b>Net cash provided by (used in) financing activities</b>     | <b>(431)</b>           | 9,542,175         |
| Net increase (decrease) in cash held                           | <b>(1,666,598)</b>     | 10,254,162        |
| Cash at 1 July   | <b>8,013,577</b>       | 1                 |
| Effect of exchange rates on cash holding in foreign currencies | <b>490,571</b>         | -                 |
| <b>Cash at 31 December</b>                                     | <b>6,837,550</b>       | 10,254,163        |
| <b>Non-Cash Financing and Investing Activities (Note 5)</b>    | <b>99,116</b>          | -                 |

*The accompanying notes form part of these financial statements*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

**NOTE 1 BASIS OF PREPARATION OF HALF-YEAR FINANCIAL REPORT**

The half-year condensed financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001*, Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2008 and any public announcements made by Botswana Metals Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

*Reporting Basis and Conventions*

The half-year report has been prepared on an accruals basis and is based on historical costs modified by revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

**NOTE 2 SEGMENT INFORMATION**

**Primary Reporting – Business Segments**

The consolidated entity only operates within one business segment being that of mineral exploration.

**Secondary Reporting – Geographical Segments**

Although the consolidated entity's divisions are managed on a global basis they operate in two main geographical areas:

**Australia**

The home country of the parent entity and is also the main operating entity. The area of operation is in the mineral exploration industry.

**Africa**

Comprises operations carried on in Botswana.

|                     | Segment revenues from sales to customers | revenues from external customers | Carrying Amount of Segment Assets | Amount of Segment | Acquisitions of plant and intangibles and other non-current segment assets | of property, equipment, and other non-current segment assets |
|---------------------|--|----------------------------------|-----------------------------------|-------------------|--|--|
|                     | 2008                                     | 2007                             | 2008                              | 2007              | 2008   | 2007   |
|                     | \$                                       | \$                               | \$                                | \$                | \$   | \$   |
| Australia           | 238,707                                  | 43,579                           | 11,407,087                        | 10,254,163        | 500,110  | -  |
| Africa              | -  | -                                | 3,925,233                         | 1,523             | 3,759,548  | 1,523  |
| Other / Elimination | -  | -                                | (4,156,016)                       | -                 | -  | -  |
|                     | <b>238,707</b>                           | <b>43,579</b>                    | <b>11,176,304</b>                 | <b>10,255,686</b> | <b>4,259,658</b>   | <b>1,523</b>   |

### NOTE 3 CONTINGENT LIABILITIES

The Directors are not aware of any contingent liabilities or contingent assets existing at the date of this report. The Company is not involved in any material, legal or arbitration proceedings and, so far as Directors are aware, no such proceedings are pending or threatened against the company.

### NOTE 4 EVENTS SUBSEQUENT TO REPORTING DATE

#### Issue of options

On 2 February 2009 the Company issued 100,000 options to staff employed by the Company pursuant to the "Executive and Employee Option Plan" approved by shareholders at the General Meeting held 2 July 2008.

#### Tenement granted

A new prospecting licence PL158/2009 – Lepokole was granted in January 2009. PL158/2009 was granted for 3 years, expiring 31 December 2011 for the right to prospect for metals and covers 397.5 square kilometres.

### NOTE 5 NON-CASH FINANCING AND INVESTING ACTIVITIES

Non Cash Financing and Investing Activities occurred during the period of consists of the following:

| Particulars   | Amount<br>\$ |
|---|--------------|
| On 16 July 2008 the Company issued 8,000,000 options free of cost to Directors as remuneration. | 99,116       |

### DIRECTORS' DECLARATION

The Directors declare that the financial statements and notes set out on pages 9 to 14.

- a) comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations; and
- b) give a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half year ended on that date.

In the Directors' opinion there are reasonable grounds to believe that Botswana Metals Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors made on 11 March 2009.



P J VOLPE

**Director**

Dated this 11<sup>th</sup> day of March 2009  
Hawthorn, Victoria



**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF  
BOTSWANA METALS LIMITED**

ACN 122 995 073

**Report on the Interim Financial Report**

We have reviewed the accompanying interim financial report of Botswana Metals Limited and the entity it controlled during the period, which comprises the balance sheet as at 31 December 2008, income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

*Director's Responsibility for the Interim Financial Report*

The directors of the company are responsible for the preparation and fair presentation of the interim financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the interim financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

*Auditor's Responsibility*

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us to believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB134 Interim Financial Reporting and the Corporations Regulations 2001 and other mandatory financial reporting requirements in Australia. As the auditor of Botswana Metals Limited and the entity it controlled during the period, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Webb Audit Pty Ltd**  
ABN 59 116 151 136

A member of the Webb Group  
Cnr Toorak & Tooronga Roads Hawthorn East Vic 3123 Australia  
PO Box 185 Toorak Vic 3142 Australia  
Telephone +61 3 9822 8686 Facsimile +61 3 9824 8578  
audit@webbgroup.com.au [www.webbgroup.com.au](http://www.webbgroup.com.au)



## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF BOTSWANA METALS LIMITED

ACN 122 995 073

(Continued)

### Independence

In conducting our review, we have complied with applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

### Conclusion

Based upon our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Botswana Metals Limited and the entity it controlled during the period is not in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB134 Interim Financial Reporting and the Corporations Regulations 2001; and

**Jeffrey Luckins**  
Director  
Webb Audit Pty Ltd

Dated in Melbourne on this 11<sup>th</sup> day of March 2009

**APPENDIX 4D FOR THE PERIOD ENDED 31 DECEMBER 2008**

**DATE: 11 MARCH 2009**

Please find following the Appendix 4D disclosure required per Listing Rule 4.2A.3 for the period ended 31 December 2008.

**APPENDIX 4D FOR PERIOD ENDED 31 DECEMBER 2008**

**RESULTS FOR ANNOUNCEMENT TO THE MARKET**

|   | <b>Increase /<br/>(Decrease)</b> | <b>% Increase /<br/>(Decrease)</b> | <b>\$ Increase /<br/>(Decrease)</b> | <b>\$ Value</b> |
|---|----------------------------------|------------------------------------|-------------------------------------|-----------------|
|   |                                  | <b>%</b>                           | <b>\$</b>                           | <b>\$</b>       |
| Revenue from ordinary activities                                | Increase                         | 447%                               | \$194,948                           | \$238,707       |
| Loss from ordinary activities after tax attributable to members | Increase                         | 49%                                | \$105,926                           | \$373,353       |
| Net loss for the half-year attributable to members              | Increase                         | 49%                                | \$105,926                           | \$373,353       |

The Company was listed on the ASX on 18 January 2008 and as such incurred expenses relating to being an ASX-listed company which it did not incur the previous corresponding period. The Company also appointed an additional director and consequently incurred directors fees which it did not incur in the previous corresponding period.

**Dividends**

The Company is not proposing to pay any dividends to date.

**Net Tangible Assets per security**

|                                  | <b>Consolidated Entity</b> |             |
|----------------------------------|----------------------------|-------------|
|                                  | <b>2008</b>                | <b>2007</b> |
|                                  | <b>\$</b>                  | <b>\$</b>   |
| Net Tangible Assets per security | <b>\$0.104</b>             | \$1.05      |

**Foreign Accounting Standards**

The financial statements of African Metals (Pty) Ltd used in the consolidated accounts have been prepared using International Financial Reporting Standards.

**Pat Volpe**  
**Chairman**