

TO: COMPANY ANNOUNCEMENTS OFFICE
ASX LIMITED

DATE: 20 JUNE 2016

PRIORITY ANNOUNCEMENT

**BOTSWANA GOVERNMENT GRANTS LICENCE EXTENSION TO BML
JOINT VENTURE PARTNERS TO MEET ON PRE-FEASIBILITY
PRESENTATION AT BCL LIMITED**

The Board of Botswana Metals Limited (“BML”) is pleased to announce that the Botswana Government through the Department of Mines has granted an extension to three of BML’s exploration licences for a period of two years effective from 1 April 2016.

The granting of the extension to **PL110/94**, **PL111/94** and **PL54/98** now allows the Joint Venture partner BCL Limited (“BCL”), a world class Botswana mining and smelting operation owned by the Botswana Government, to consider a pre-feasibility report prepared by WorleyParsons (“WP”) on the Maibele North resource.

Under the agreement BCL, through its subsidiary BCL Investments (Pty) Ltd, can fund up to the completion of a bankable feasibility study (“BFS”) to earn a 70% interest in the three prospecting licences (PLs) that cover approximately 185 km of BML’s ~1,500 km exploration portfolio.

The joint venture partners will meet later this week when the WP report is expect to be tabled and discussed.

BCL and BML will also discuss the plans for the JV moving forward.

The market will be updated when any material information is received for release.

Background:

The BML discovery projects under Joint Venture:

- are only 55 km from BCL’s nickel-copper mine, process plant and smelter;
- at Maibele North, the Ni + Cu + Co + Platinum Group Elements mineralisation is similar to that being mined by BCL;
- BCL has established crushing, milling, flotation and smelter plants available that can in effect “toll treat” the Joint Venture ore which should significantly reduce any capital outlay in developing the projects;

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

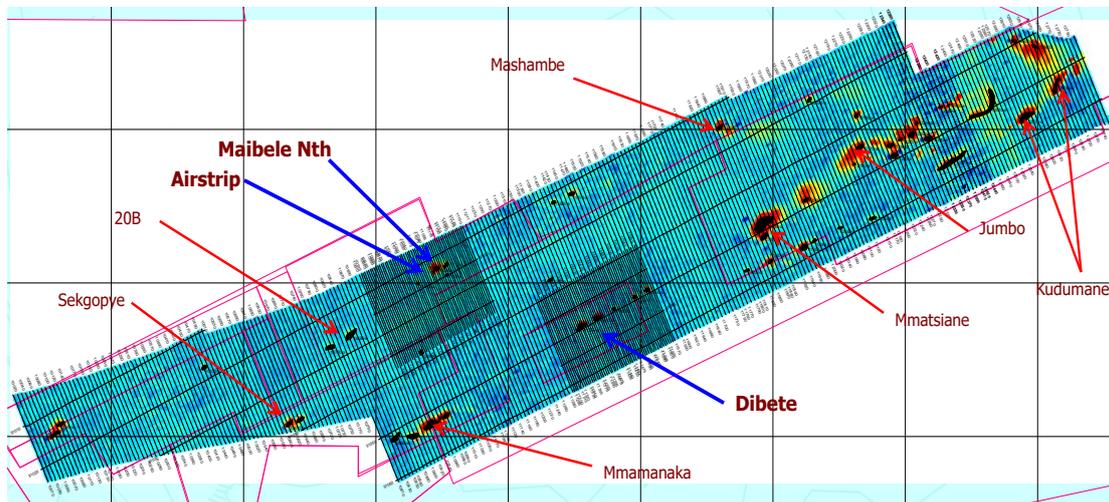
Email info@botswanametals.com.au

www.botswanametals.com.au

- BCL has the marketing and sales team in place with international client base to sell the final product; and
- BCL will provide BML and the Joint Venture with the expertise, logistics and access to plant and equipment.

BCL also has a first right of refusal to fund the exploration on the balance of the BML exploration portfolio that covers the extension of the Limpopo belt into Eastern Botswana from Zimbabwe.

Figure 1: Shows the location of the three discovery projects: Maibele North, Airstrip and Dibete on a VTEM survey which also identified another 23 VTEM anomalies with potential exploration targets. These project areas are covered in three Prospecting Licences extended by the Department of Mines for a further two years to 31 March 2018.



BCL has publicly stated that it has a policy to find business opportunities that can extend the longevity of the mining and smelting operations located at Selebi Phikwe.

BCL employs approximately 5,000 people and supports the township that has a population of around 50,000 people. BCL also owns the well-known Tati Nickel Mine that is just 80 km to the north of the BML licence areas.

BML's projects provide the potential for additional ore particularly for Nickel and Copper that can be trucked to the BCL plant which has been operating at Selebi Phikwe since the 1960s.

Of the three BML projects, the Maibele North discovery will be the priority for potential mining.

BML Chairman Mr Pat Volpe said: "If the economics stack up then the time to mining and the capital, operational cost and processing of ore for a potential mining could be significantly reduced based on the fact that BCL already have infrastructure and mining facilities in place just 55 km away from BML."

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



“However the current weakness in global base metals including nickel could have an impact on the financial models required to justify any mining operations.” Mr Volpe said.

Details on the BCL Farm-In Joint Venture

BCL Investments (Pty) Limited, under the joint venture agreement, must spend an initial \$4 million on a drilling program to earn 40% of the projects over these areas. BCL has the option to continue to fund the projects to the completion of a Bankable Feasibility Study (“BFS”) to earn a 70% interest.

At that point 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 at Selebi Phikwe for processing, which is situated 55 km to the southwest of our project.

BML will retain a 30% interest after the BFS is completed at which time the management of the projects will be transferred to BCL.

Pat Volpe

Chairman

Contact details:

Office +61 3 9855 1885

Mobile +61 4 8807 1025

About BCL

BCL is a mining and smelting company owned by the Botswana Government. The company commenced operations in 1959 and is now one of the largest private sector employers in Botswana.

BCL produces two types of finished matte containing nickel, copper and cobalt, and precious and platinum group metals to a smaller extent. The Selebi Phikwe ore deposits are owned and operated by BCL.

The Selebi copper and nickel ore body was discovered in 1963, and higher-grade ore was discovered at Phikwe in 1966. Mining of nickel-copper ore commenced in 1973 and since 1980, BCL’s smelter has operated at an annual production rate of approximately 50,000 tonnes of nickel-copper matte.

About BML

BML is listed on the Australian Securities Exchange (ASX) and its stock code (ticker) is BML. BML is a mineral exploration company fully focused on its portfolio of exploration tenements covering approximately 1,500 square km all located in Botswana.

BML’s objective is to discover an economic base and precious metals resource in eastern Botswana on the well-known Limpopo Belt that extends into Botswana from its neighbouring country Zimbabwe.

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

Recent exploration has resulted in three discoveries of Nickel-Copper-Cobalt and Copper-Silver mineralisation known as Airstrip Copper, Maibele North and Dibete. The Ni-Cu-Co deposit at Maibele North is just east of Airstrip Copper whilst Dibete is 7 km to the south of Airstrip Copper.

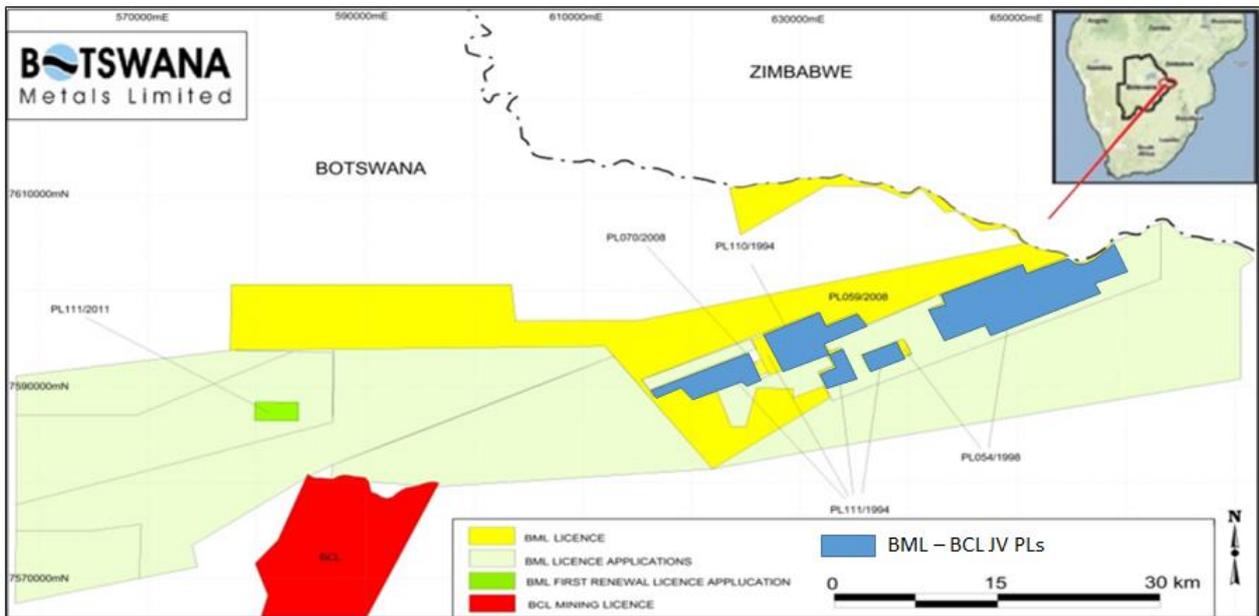
To the east of these discoveries, a recent VTEM program has identified at least 23 new VTEM anomalies that are planned to be part of the Company's exploration focus in the future dependent upon licence tenure being maintained.

More recently the company has restructured its focus to include "new world minerals" that include Li + Ta + Co and with Ni have the exploration potential to make the first new world minerals suite of discoveries for the energy and technology focused on electronics and batteries.

BML has solid logistical support and the projects benefit from excellent infrastructure. The Company is managed by experienced personnel who have many years' experience in Botswana as well as other African countries. Botswana is considered to be one of the most advanced African countries in respect to its mining and exploration laws, and for safety and education where English is spoken freely.

BML has offices in Australia (Melbourne) and Botswana (at Selebi Phikwe).

Figure 2 Map of BML exploration portfolio. Highlighted in blue are the extended PLs that are covered in the Joint venture agreement with BCL Limited.



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