BOTSWANA Metals Limited

ASX: BML

ASX ANNOUNCEMENT

27 FEBRUARY 2017

LITHIUM, TANTALUM & TIN LAB RESULTS SHOW PROMISE

HIGHLIGHTS:

- **Current prices for Ta ~$128,000/t, Li ~$9,100/t and Sn ~$21,200/t gives excitement to BML's exploration targets.**
- **Soil geochemical analysis shows promise for Tantalum (Ta) & Lithium (Li) mineralisation.**
- **Tin (Sn) soils laboratory results also revealed high levels.**
- **Target Area 1 covering over 8 km. (4 target areas identified).**
- **Further exploration is recommended.**

The Board of Botswana Metals Limited (BML) is pleased to report that it has received the results of independent laboratory analysis of samples tested from BML's recent soil sampling program in North-eastern Botswana.

The program was undertaken to help establish the accuracy of in-house handheld XRF analysis and the results have revealed anomalous levels of Lithium (Li), Tantalum (Ta) and Tin (Sn).

The best results included:

Lithium: **72ppm**
33ppm (in two different areas)

Tantalum: **39.3ppm (considered highly anomalous)**

Tin: **155ppm**
130ppm

The anomalous results often occur coincident with elevated levels of all three elements which is a pattern that could be expected if they are related to mineralised pegmatites (Figure 1).

ABN:
96 122 995 073

Issued Capital:
1,408,365,814 ordinary shares

Market Cap (27 February 2017):
$2.8 M

Directors:
Mr Patrick Volpe (Chairman)
Mr Matt Hudson (Non-Executive Director)
Mr Steve Groves (Non-Executive Director)

Registered Office:
Suite 506, Level 5
1 Princess Street, Kew
Victoria, Australia, 3101

Contact:
p: +61 (3) 9855 1885
e: info@botswanametals.com.au

About Botswana Metals Limited:
BML 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 at 0.72% Ni, 0.21% Cu, and 0.73g/t PGE + Au** 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.

The peak levels of Li, Ta and Sn from this limited analysis are similar in tenor to those recorded from soil sampling in other areas of the world where Li, Ta and Sn mineralised pegmatites occur.

These anomalies were identified from 86 samples submitted from a total of 1700 soil samples collected over 8 km in the Maibele area. Samples were collected at 50m intervals from 42, 1km long lines spaced 200m apart to be analysed in-house with the companies handheld INNOVEX XRF unit.

These highly encouraging results (Figure 1) show the potential for the area to host Tantalum, Lithium and Tin mineralisation and warrant detailed follow up work. The 86 samples selected for laboratory analysis were from only 5 of the 42 lines of soils collected and the elevated levels of Li, Ta and Sn span across the approximately 5km tested.

The independent Laboratory results for geochemical analysis of soils sampled in a second area south of Maibele (Figure 2), is also currently under interpretation by BML and will be reported to the market when completed.

Botswana Metals Limited Chairman, Patrick Volpe said: "this initial program covered a large area of over 5km. The Board is very encouraged with the anomalies identified within the 8 km and with the positive results from only 86 laboratory-analysed soil samples of the 1700 soil samples collected."

"This now gives BML focused areas to zoom in on and target further exploration for a potential new Ta, Li and or Sn discovery the first in Botswana if we succeed " he said.

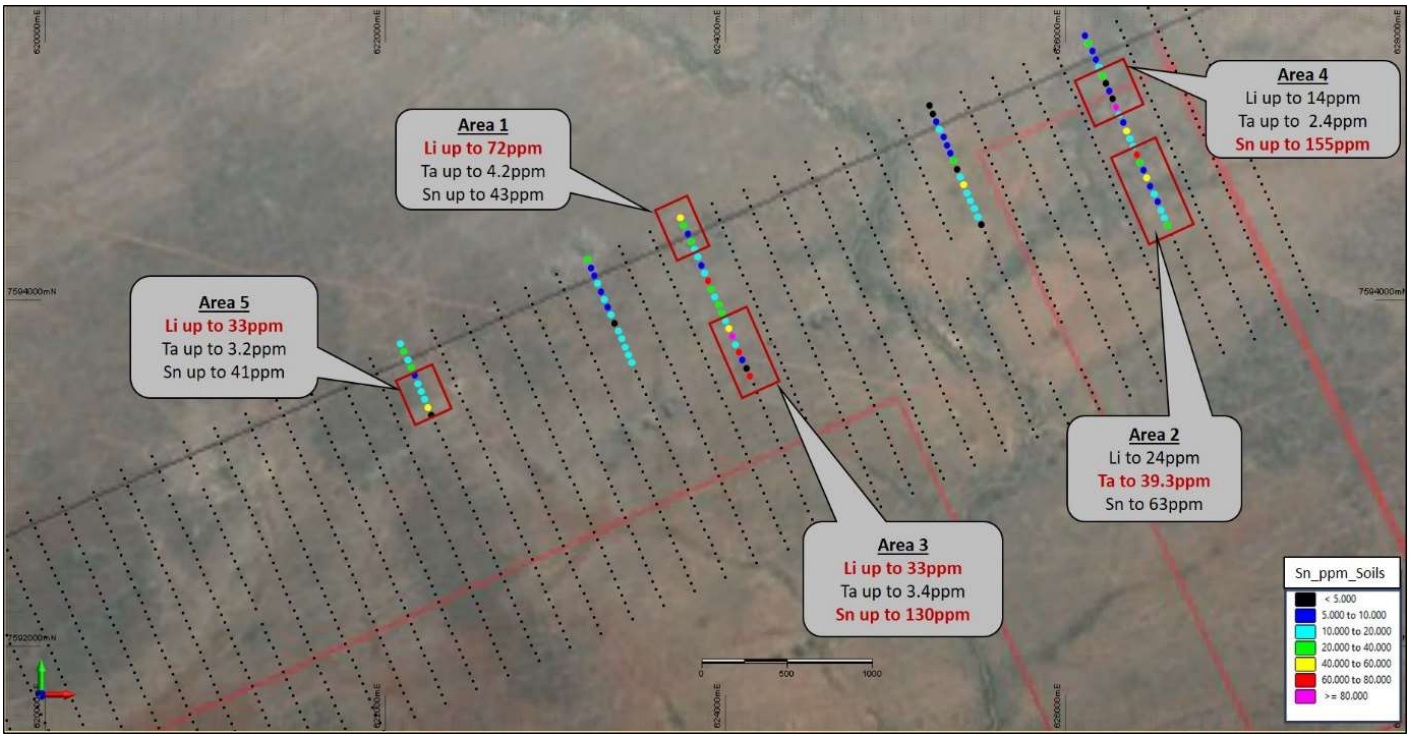

Figure 1: Map showing the 5 anomalous areas identified for follow up detailed exploration. Note that in each area, at least two of the three elements of Li, Ta and Sn are elevated, as would be expected in a zoned mineralised pegmatite body. The limited laboratory analysis was undertaken as a check on the accuracy of handheld XRF analysis undertaken by BML in the field. Interpretation of the results in this regard is still ongoing. The 86 samples submitted for analysis are coloured by their Sn content in ppm.

The minor black dots represent the 1700 soil samples collected, most of which are yet to be laboratory analysed.

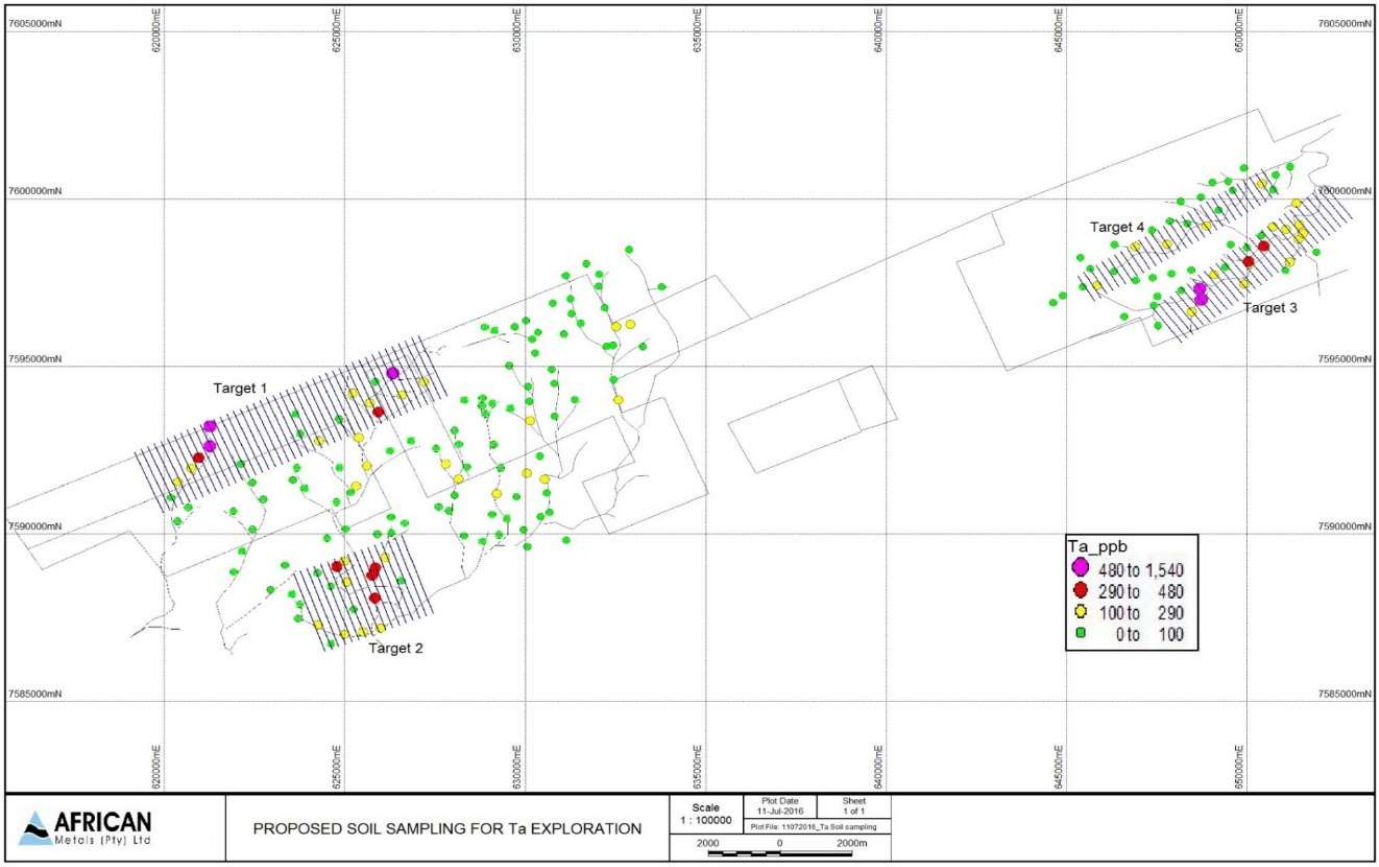

Figure 2: Map showing soil sampling grids planned over all BML's tenements based on historic stream sediment sampling anomalies (coloured spots)

Background

Botswana sits in between both Namibia and Zimbabwe where several major Lithium-Tantalum pegmatites deposits have been discovered. The price of Lithium (USD $9,100/t), Tantalum (USD$128,000/t) and Tin (USD$21,200/t) has risen dramatically over the past 2 years in response to demands from new technology, and any exploration success leading to a commercial discovery will have a material impact on BML's market capitalisation. (Metal prices sourced from: https://www.metalary.com – 25/02/2017).

During 2016, the company announced a new exploration focus for pegmatite-hosted tantalum and lithium mineralisation on their exploration licences in eastern Botswana (*BML ASX release 23/05/2016*). Historic exploration had previously revealed substantial tantalum anomalies in stream sediment sampling that had remained unexplained. Zimbabwe, on the eastern border with Botswana, is the world's fifth largest Li producer and hosts one of the world largest Li-Ta deposit (Bikita Li-Ta Mine: 11Mt @ 1.4%Li) in pegmatites hosted along the same belt of Archean geology that extends into BML's ground in Botswana (Figure 3). The potential for similar mineralisation to occur in BMLs portfolio has been recognised and exploration for pegmatite-hosted tantalum-lithium mineralization commenced on the company's licences in 2016. Ground exploration is focused on locating pegmatites as well as determining the source of the extremely strong historical tantalum stream sediment anomalies.

Work has included geological mapping and soil sampling in areas of historically anomalous tantalum, particularly where anomalies are coincident with outcropping felsic lithology. Although much of these

areas are covered by a thin veneer of soil, initial mapping has identified pebbles and float of pegmatitic material

Follow up work including detailed grid-based soil sampling and exploration trenching will be undertaken in priority anomalous areas. Any areas containing verified Ta or Li mineralization will ultimately be drill-tested.

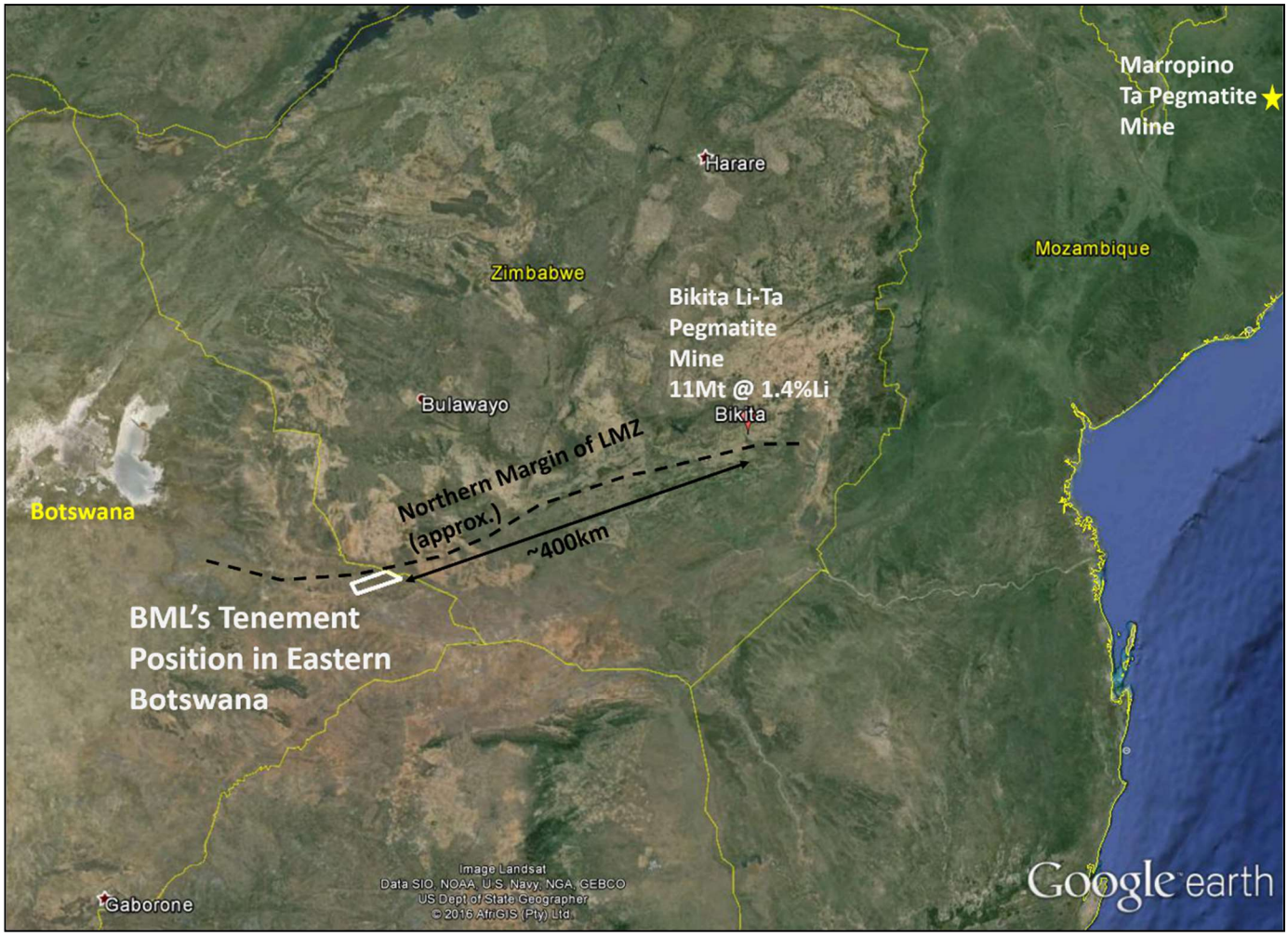

Figure 3: Location of BML's PLs in eastern Botswana in relation to the world class Li-Ta pegmatite Bikita mine in Zimbabwe. The Bikita Mine lies just to the north of the LMZ and it is interpreted that the LMZ would contain re-worked equivalent rocks to those that host the Bikita Mine.

Patrick Volpe
Chairman

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 that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that 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 of detailed information.*
		• **All samples where results are quoted in this release were taken as B-horizon soil samples and collected manually with a shovel.**
		• **Samples are typically up to 2kg in weight.**
		• **The total of 86 samples are referred to in the document were submitted to SGS South Africa as a check analysis to verify the accuracy of the company's hand held INNOVEX XRF unit that is currently being used to analyse a much larger sampling program (1700 samples)**
		• **Interpretation of the comparison between the laboratory analysis and the company handheld XRF unit is ongoing and consequently, no results from the handheld XRF unit were referred to in the document**
		• **The 86 samples sent to SGS South Africa underwent the following procedure:**
		  • **Dried and crushed to 80% passing 2mm**
		  • **500g split by riffle splitter**
		  • **500g split of 2mm material pulverised to 85% passing 75 micron in a carbon steel ring and puck pulverised**
		  • **Determination of multi-element by sodium peroxide fusion ICP-OES + ICP-MS finish**

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, by what method, etc).*	• **N/A**
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.*	• **N/A**
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.*	• **N/A**
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.*	• **All samples where results are quoted in this release were taken as B-horizon soil samples and collected manually with a shovel.** • **Samples are typically up to 2kg in weight.** • **The total of 86 samples are referred to in the document were submitted to SGS South Africa as a check analysis to verify the accuracy of the company's hand held INNOVEX XRF unit that is currently being used to analyse a much larger sampling program (1700 samples)** • **Interpretation of the comparison between the laboratory analysis and the company handheld XRF unit is ongoing and consequently, no results from the handheld XRF unit were referred to in the document**

CRITERIA	JORC Code Explanation	Commentary
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.*	• **All samples were sent to SGS South Africa**
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.**
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.*	• **Samples were collected along 2km long, 200m spaced lines at 50m intervals**
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.*	• **N/A**
Sample security	- *The measures taken to ensure sample security.*	• **Samples were taken and transported by BML personnel to the site office and locked in the 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 Sydney in Australia and considered appropriate.**

Section 2 Reporting of Exploration Results

(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 PL 110/94, PL 111/94 and PL 54/98 which are granted Exploration Licences held by African Metals Limited, a 100% owned subsidiary of Botswana Metals Limited.** • **These PL's are subject to a Joint Venture agreement with BCL Limited.** • **All three PLs are currently under an extension application for a further 2 years**
Exploration done by other parties	- *Acknowledgment and appraisal of exploration by other parties.*	• **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 Area historically sampled for Tanatalum 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.** • **Numerous pegmatites have been observed in the field in the LMZ and potential exists for Li-Ta mineralization if the pegmatites prove to be fertile**

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**

CRITERIA	JORC Code Explanation	Commentary
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 – no actual mineralization is discussed in the document**
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.*	• **Relevant location maps and plans presenting the anomalous Ta results are included in the document**
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.*	• **The results in this announcement are from soil sampling and relate to trace element amounts in soils. No actual mineralization is discussed in the document**
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.*	• **There is no other material exploration data that have not been previously reported.**
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.*	• **The exploration target discussed in the document is conceptual in nature and initial work will focus on verifying if the concept is valid in the area. Further work is envisaged to include geological mapping, soil sampling, rock sampling and possibly trenching to ascertain whether rare earth mineralization of a potentially economic nature might be present in the pegmatites of the LMZ**