

DATE: 30 APRIL 2015

ASX Code: BML

TO: COMPANY ANNOUNCEMENTS OFFICE  
ASX LIMITED

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## QUARTERLY REPORT TO 31 MARCH 2015

### Highlights:

#### Maibele North:

Under joint venture with BCL Limited Botswana's major international mining and smelting operations

#### Progress achieved in the quarter to 31 March 2015:

##### Maibele North:

#### Maiden JORC (2012) compliant resource received

- Inferred Resource of 2.38Mt @ 0.72% Ni, 0.21% Cu and 0.63g/t 4PGE+Au (using a cut-off grade of 0.3% Ni) has been calculated based on the sulphide mineralisation only

#### Drilling:

- Final drill core assays received from SGS laboratory.

#### Best result from the last batch:

- **MARD0094:** 6.82m @ 0.75% Ni, 0.25% Cu, 485 ppm Co, 0.06g/t Au, 0.54g/t 4PGEs (~250m east of last drill hole)

- **The Joint Venture partners:**

- Continued metallurgical testwork on Maibele North ore zones
  - Completed 3 metallurgical RC holes for additional sample material
- Completed Down Hole EM on 6 holes
  - Significant, untested off-hole conductors identified
- Commenced ground TDEM (SQUID) surveying east and west of current mineralisation
- Commissioned a resource estimation and scoping study on Maibele North by independent consulting group MSA from South Africa

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**Takane:**

- Soil Sampling revealed Ni - Cu anomalism associated with ultramafic intrusions and coincident VTEM conductors
- Ground TDEM surveys to commence over priority targets in the June quarter

**New PL Applications:**

Several new PL applications were lodged during the quarter

These are shown in Figure 15 of this report.

If these licence applications are granted, it will add significantly to the exploration portfolio of the Company. All new PL applications were targetted along the same belt as BML's existing PLs.

**Cash at Bank:**

- Cash Balance at 31<sup>st</sup> December 2014 was ~\$350,000. An Appendix 5B report is attached.

**Detailed report follows:**

The Directors of Botswana Metals Limited ("the Company" and "BML") report as follows:

**Cash Position:**

As at 31 December 2014, cash at bank was ~\$350,000

A Schedule of Prospecting Licences held by BML can be found at the end of this report.

## Exploration Activities for the quarter:

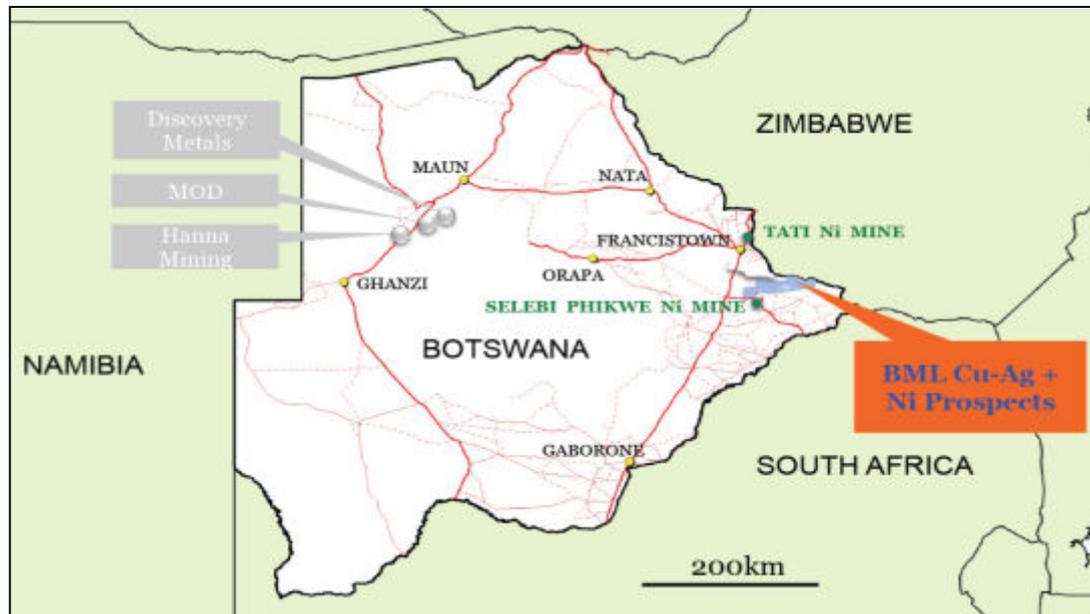


Figure 1: Location of Botswana Metals Limited Exploration portfolio in Botswana

### JOINT VENTURE EXPLORATION ACTIVITIES FOR THE QUARTER

#### PL110/94 - Maibele North

The Maibele North project was the subject of an intense resource drilling campaign in the latter half of 2014. During the March 2015 Quarter, the final batch of assay results from this program was received and work commenced for the 2015 field season. A maiden Inferred Resource calculation was carried out on the sulphide portion of the Maibele North orebody by MSA consultants from South Africa. Ground work completed during the quarter included Down-Hole Electromagnetic (DHEM) surveys on seven holes, fixed loop Time Domain Electromagnetic Surveys (TDEM) and a series of three metallurgical drill holes. Resource estimation calculations and resource infill and step-out drill program design are ongoing.

#### Resource Calculation and Scoping Study

Joint Venture partners BCL Limited and Botswana Metals Limited appointed consulting Group MSA (“MSA”) to prepare both a resource estimation and scoping study for the Maibele North project during the March quarter. A JORC compliant Inferred Resource Estimate for the sulphide portion of the Maibele North ore was received post the end of the quarter. The results of a scoping study are expected to follow soon after the completion of the resource estimate.

The resource has been estimated by independent consultants, MSA South Africa, from an extensive drill program undertaken in 2014 in conjunction with BML's Joint Venture partners BCL Limited.

At a 0.3% Ni cut-off the resource stands at:

Cut-off (%Ni)	Tonnes (Mt)	Ni (%)	Cu (%)	Pt (g/t)	Pd (g/t)	Rh (g/t)	Ru (g/t)	Au (g/t)
0.30	2.38	0.72	0.21	0.08	0.36	0.04	0.05	0.10

BML is highly encouraged by the result and the upside potential to grow the resource given that:

- No historic drilling was included in the estimate due to QA/QC issues
- Drill hole MARD0094, which intersected 6.82m @ 0.75% Ni and 0.25%Cu, has not been included and lies some 250m east of the current resource
- No oxide mineralisation has been included in the estimation due to insufficient metallurgical testing of this material.
- Significant levels of cobalt occur in the Maibele North mineralisation yet cobalt has not been included in the resource estimate. It is anticipated that the inclusion of cobalt will add valuable credits to the Maibele North project and the resource is to be upgrade with the cobalt grade in due course.
- Numerous untested geophysical conductors lie along strike, and adjacent to, the existing resource and show signatures reminiscent of sulphide mineralisation similar to that at Maibele North
- The orebody is open along strike to the east and west as well as at depth and lies within a 2.4km long corridor of potential strike, of which only 1km has been drill tested and included in the resource calculation (Figure 3).

BML's JV partner, BCL Limited, is currently undertaking surface electro-magnetic surveys in an effort to further delineate the numerous untested conductors for drill testing. The JV partners recently completed a DHEM survey that also outlined a number of untested, off-hole conductors adjacent to the orebody and BML remain highly encouraged by the JV partner's commitment to the ongoing exploration and evaluation of the Maibele North deposit.

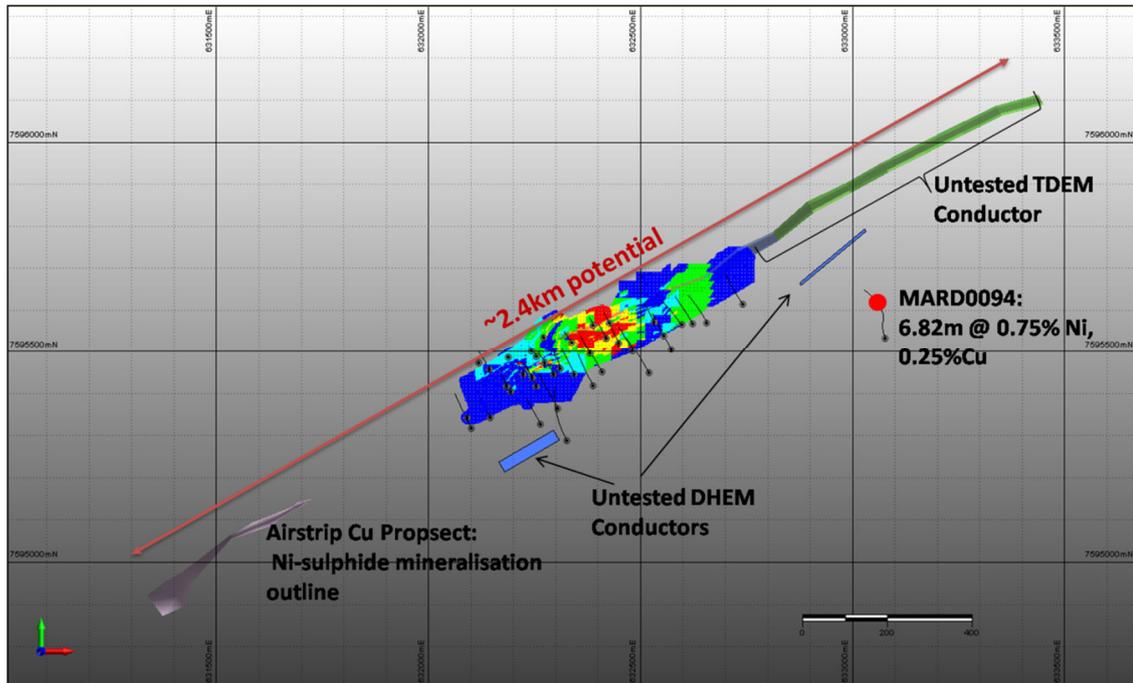


Figure 2: Plan View of Maibele North showing the new resource block model in relation to the Airstrip Cu Ni-sulphide mineralisation outline and the untested conductors adjacent to the orebody. The figure demonstrates that there is at least 2.4km of potential strike, of which only 1km has been drill tested and included in the resource estimation.

## Assay Results

BML released the final assay results from the last batch of samples from the 2014 resource drilling program to the market during the March quarter. The results included step-out hole MARD0094 and returned significant intersections, including:

### MADD0094:

- **6.82m @ 0.75% Ni, 0.25% Cu, 485 ppm Co, 0.06g/t Au, 0.54g/t 4PGEs**

Including

- **1.25m @ 2.05% Ni, 0.53% Cu, 1,272ppm Co, 0.07g/t Au, 1.35 g/t 4PGEs**
- **0.10m @ 1.64% Ni, 1.67% Cu, 1,040 ppm Co, 0.06g/t Au, 1.25g/t 4PGEs**
- **0.21m @ 2.27% Ni, 0.58% Cu, 1,356 ppm Co, 0.10g/t Au, 1.62g/t 4PGEs**
- **0.19m @ 1.62% Ni, 0.30% Cu, 1,046 ppm Co, 0.05g/t Au, 1.40g/t 4PGEs**

### MADD0092:

- **0.55m @ 2.18% Ni, 0.72% Cu, 1,186ppm Co, 0.10g/t Au, 1.62g/t 4PGEs**

**MADD0071:**

- **0.12m @ 0.70% Ni, 0.49% Cu, 452 ppm Co, 0.10g/t Au, 1.06g/t 4PGEs**

(all widths are down hole thicknesses)

**MADD0094**

The result from MARD0094 is highly significant because it confirms the continuation of high grade Ni-Cu mineralisation along strike to the east of the previously known mineralisation and at a depth previously untested. This new zone is untested to the east, west and at depth and indicates that considerable potential exists to add additional resources to the mineralisation already defined at Maibele North.

Hole MADD0094 intersected mineralisation at a vertical depth of 400m (~460m down hole). The target was indicated from DHEM surveying in hole MADD0025 that showed an off hole conductor at approximately 350m vertical depth with a dip extent of ~200m. MADD0094 deviated and appears to have intersected the mineralisation approximately 120m south of original target position. Subsequent DHEM in MARD0094 has confirmed the presence of a conductor beneath MADD0025 and indicates that separate lodes of mineralisation might be present in the area.

Above MARD0094 and MADD0025 a moderate strength TDEM conductor that models with a 200m dip extent from ~100m to ~300m vertical depth remains untested. This target has been modelled for a further 600m east of MADD0025 / MARD0094.

The Maibele North nickel-mineralised trend has now been defined over a strike length at least 2km that includes **AIRSTRIP, MAIBELE NORTH & MAIBELE NEW ZONE** and remains open to the east, west and at depth.

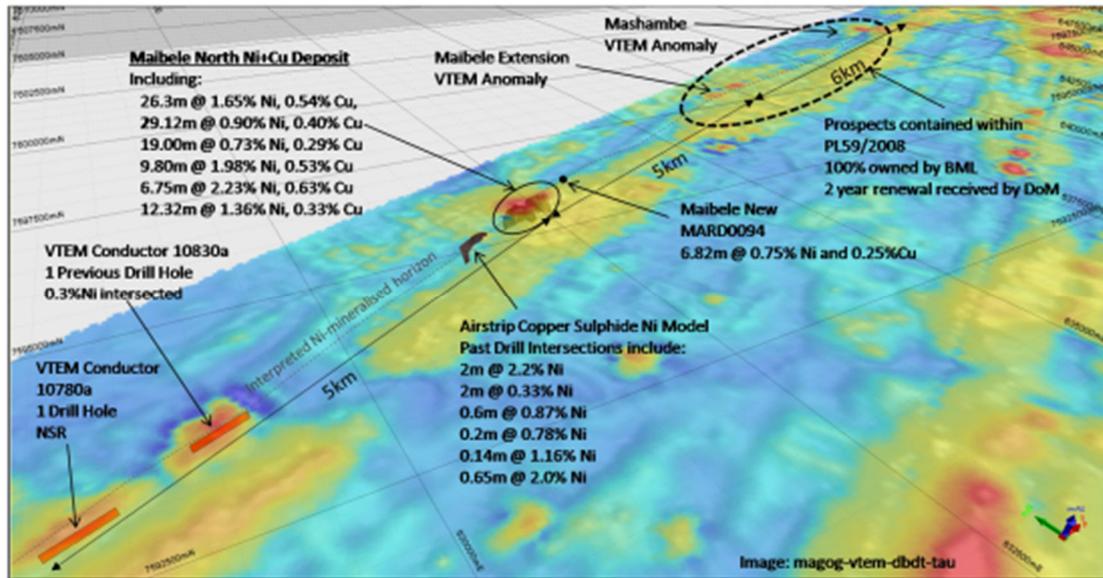


Figure 3: Regional perspective view from above, looking northeast, of the linear horizon along which the Maibele North-Airstrip mineralised trend lies. Background image is VTEM db/dt Tau and shows numerous prominent conductive anomalies along the horizon. Sulphide Ni mineralisation has been intersected at Airstrip, Maibele North + Maibele new zone and conductor 10830a.

## DHEM Results

During February, 2015, Spectral Geophysics of Gaborone, Botswana, mobilised to Maibele North to undertake Time Domain Down-Hole Electromagnetic (DHEM) surveys on a number of deeper drill holes from the 2014 drill program. The program was designed to locate deeper conductive anomalies that might represent continuation of the Maibele North Ni-sulphide mineralisation. Six holes were successfully surveyed and a seventh was abandoned due to shallow blockages. A fixed-loop TDEM survey was also conducted to the northwest of the currently drilled area and DHEM data collected for MARD0025 in 2008 by a third party were also made available to Spectral Geophysics for consideration.

## Results

The boreholes logged included MARD0064, 73, 87, 92, 93, 94 and 95. MARD0073 was blocked at 50m and did not yield any useful data. Good off-hole conductive responses were detected in the majority of boreholes logged. These responses were modelled in terms of 3 conductive plates in a 3-dimensional space and the resultant

models imported and viewed in relation to BML's 3D geological models of Maibele North.

Due to a less than ideal location and the interpreted depth of conductors in the vicinity of MARD0094, the fixed loop TDEM survey did not detect any significant conductors.

All targets detected at Maibele North present as very good conductors with responses in the order of 4000S.

#### **MARD0094**

A very good off-hole response was recorded in MARD0094. The conductor models at approximately 110m to the north of the hole, immediately beneath historic hole MADD0025. Cas Lotter, geophysicist from Spectral Geophysics states:

*"It is clear that MARD0094 intersected the bottom of a steeply dipping conductor. The bulk of the conductive body, probably a lens of massive sulphide, is located above the borehole towards the north-west."*

It is interpreted that this conductor possibly represents a different lens of mineralisation to that intersected in MARD0094 (6.82m @ 0.75%Ni) and will become a priority for drill testing in future step-out drilling at Maibele North.

#### **MARD0064**

The survey in MARD0064 detected a substantial 350m long off-hole plate that plots above the hole within the area of previously drill-tested mineralisation. This conductor has been intersected by some of the existing holes but appears to not have been fully tested and will undergo further drilling in future resource infill programs.

#### **MARD0087**

The measured DHEM response from MARD0087 indicates that an off-hole conductor plate exists at depth below MARD0087, towards the south-east. This conductor sits in the hangingwall of the Maibele North mineralisation and possibly represents a previously untested lens of sulphide mineralisation. This target will become a priority

in future drill programs in an effort to confirm the presence of additional mineralisation and also provide a platform for further deep EM surveying at Maibele North.

**MARD0092**

The survey from MARD0092 revealed a weaker conductor within the existing mineralisation which is consistent with the presence of semi-massive to disseminated sulphides. The response from the hole was, however, inconclusive and appears to also indicate that another conductor might exist at depth but unfortunately the hole is not deep enough to provide enough data to model accurately this response with any confidence. Further DHEM in future deep holes will provide data adequate to determine the potential for deep conductors in the vicinity of MARD0092

**MARD0093**

The response from MARD0093 shows a good conductor within the mineralised area already tested by drilling. No deeper, off-hole conductors were indicated in MARD0093.

**MARD0095**

The response from MARD0095 shows a good conductor within the mineralised area already tested by drilling. No deeper, off-hole conductors were indicated in MARD0095.

**MADD0025**

Spectral Geophysics' examination of the data provided for the previous survey of MADD0025 have confirmed that an off-hole conductor is present immediately beneath the hole and remains untested by drilling. It is likely that this conductor is the same as that indicated by the survey in MARD0094 and is a priority drill target.

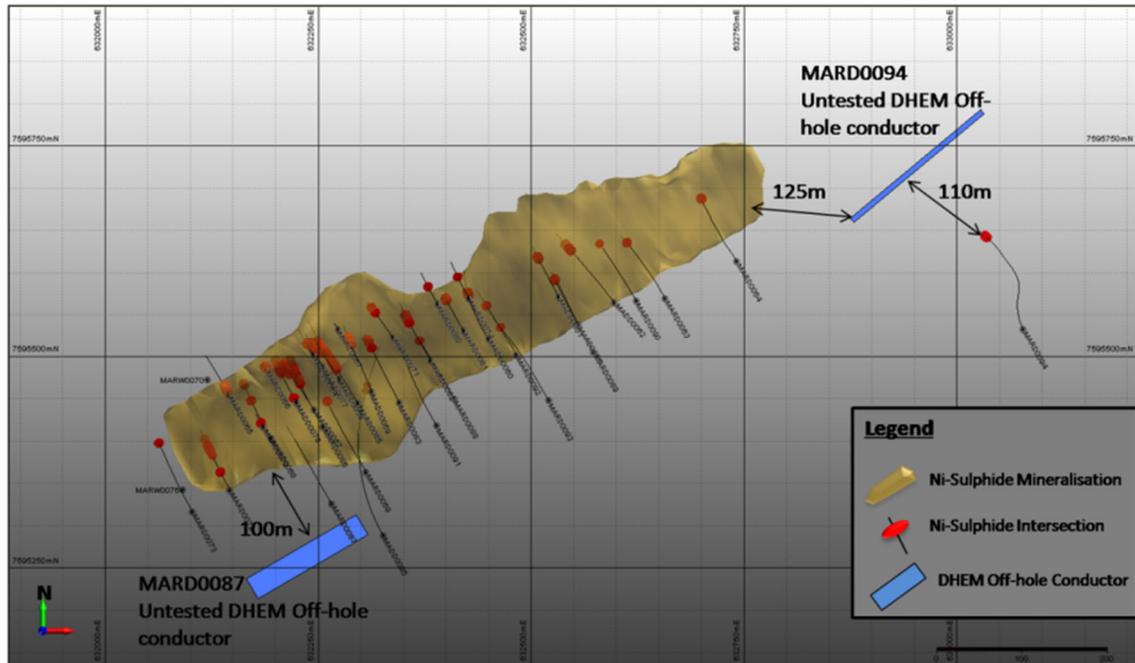


Figure 4: Plan view of the Maibele North Ni-sulphide orebody (gold shape) showing the Ni-intersections (red circle) from the 2014 drilling program and the position of significant off-hole conductors from the recent DHEM survey (blue rectangles)

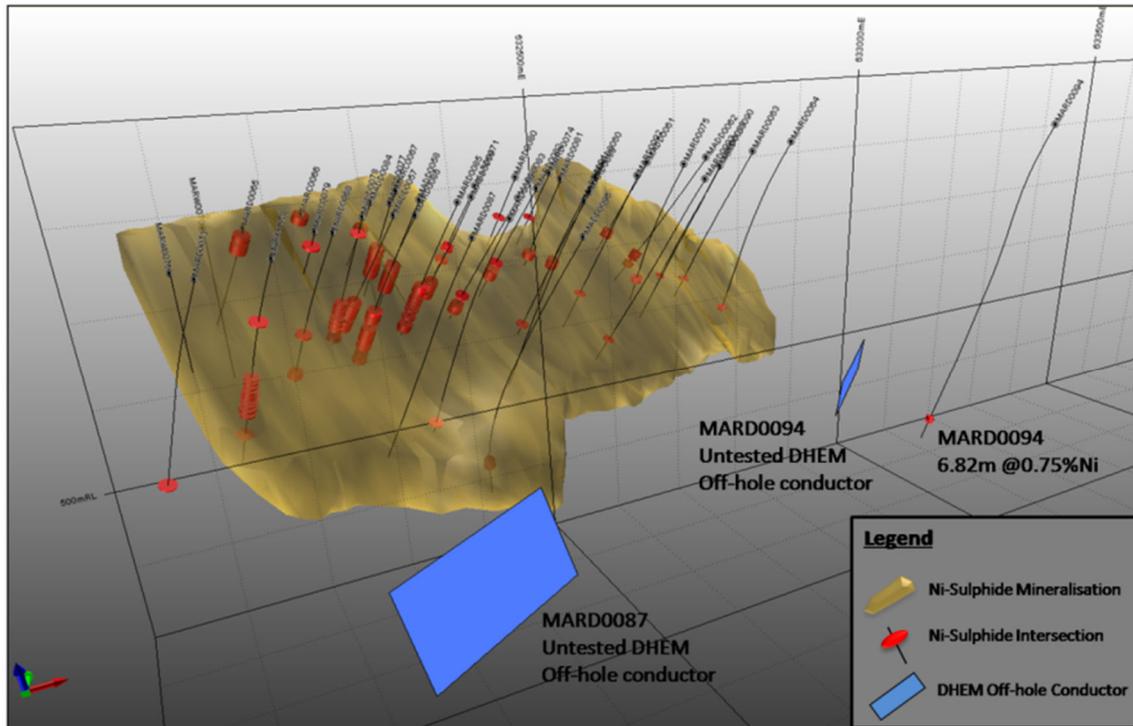


Figure 5: 3D Perspective view, looking Northeast, of the Maibele North Ni-sulphide orebody (gold shape) showing the Ni-intersections (red circle) from the 2014 drilling program and the position of significant off-hole conductors from the recent DHEM survey (blue rectangles)

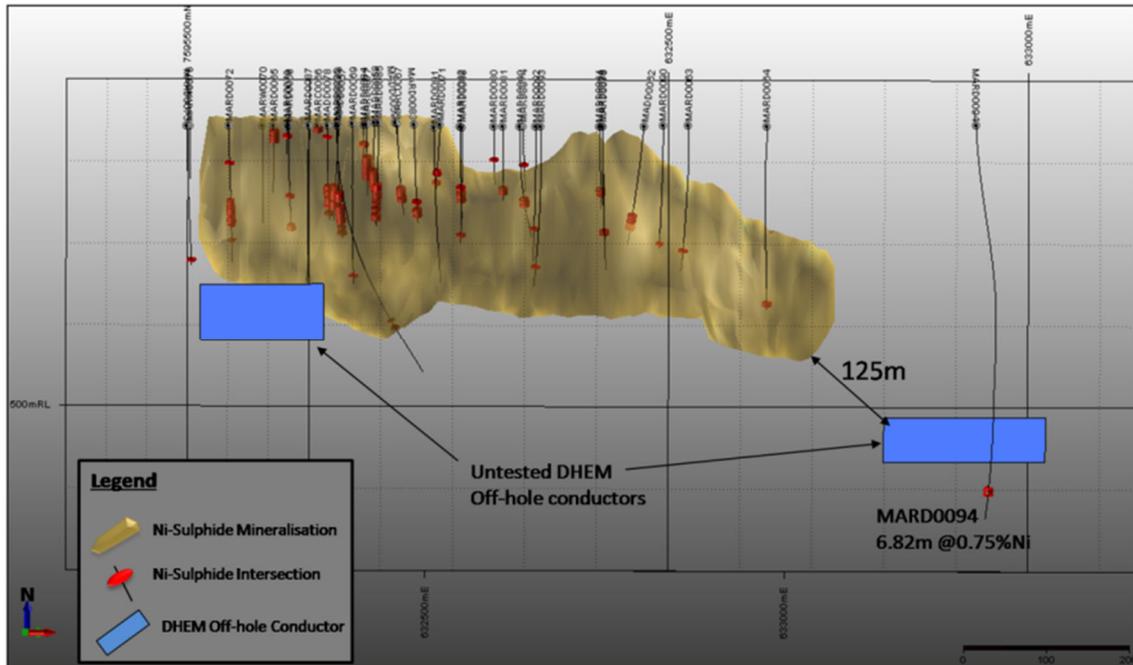


Figure 6: Long Section view of the Maibele North Ni-sulphide orebody (gold shape) showing the Ni-intersections (red circle) from the 2014 drilling program and the position of significant off-hole conductors from the recent DHEM survey (blue rectangles)

### 2015 Time Domain Electromagnetic (SQUID) Survey

Spectral Geophysics commenced a SQUID system for Time Domain Electromagnetics over the northeast, along strike from the existing mineralisation and the southeast end of Maibele North during the quarter. The SQUID TDEM will resolve the deeply plunging conductors on both ends of the orebody that were poorly identified by previous geophysical methods.

The SQUID system is stronger and more sensitive than the previous equipment used and will provide a deeper assessment of conductive targets. The new system allows for shorter data acquisition times hence more efficient TDEM programs. The SQUID system has in the past been used successfully in many exploration campaigns in the world. The surveys are ongoing through April.

### **Metallurgical Drill Program**

BCL Limited, through the Joint Venture (JV) with BML, has commenced a series of 3 Reverse Circulation drill holes designed to provide a large sample for metallurgical testwork of the Maibele North ore during the quarter. Two of the holes are vertical and have been targeted to intersect the thickest sections of the orebody to provide sufficient sample for this testwork. These two holes together with an additional angled hole will provide a good representation of the variation in the mineralisation through the orebody.

Results of this program will be released when they are received.

### **Regional Potential of Maibele North Trend**

Examination of regional geological and geophysical images shows linear features that correlate strongly with the zone of mineralisation and extend a considerable distance to the east towards the Maibele North Extension prospect and further still towards the Mashambe Prospect (see Figure 2). Both prospects are marked by prominent VTEM anomalism and the presence of ultramafic lithology and geochemical anomalies. PL 59/2008 Maibele Extension and Mashambe lie some 5km and 6km respectively east of the Maibele “new zone” and exhibit similar surface geological indicators to those at Maibele North that mark the presence of significant Ni + Cu + PGEs mineralisation. **PL59/2008 is 100% owned by BML and not currently subject to the JV with BCL.**

The same linear trend can be traced 5km to the west of Maibele North and Airstrip Copper to VTEM Anomaly 10380a, where a single historic drill hole into a conductor plate returned 0.3%Ni in sulphides down hole.

Evidence is mounting that Maibele North – Airstrip Copper prospects lie on a regional geological horizon of at least 16km in length prospective for Ni-Cu sulphide mineralisation and containing a number of prominent conductive anomalies associated with ultramafic lithology. BML believes this trend is grossly under explored.

**Other JV areas of interest:**

**Regional Exploration - PL54/98 Exploration**

During the March quarter, the Joint Venture partners approved stage two, ground geophysical surveying, of the exploration program at Takane (PL 54/98) to commence. The program totals 50 line km of ground EM and 100 line km of ground magnetic surveying.

The JV partners are highly encouraged by the initial reconnaissance sampling and mapping at the projects and believe good potential exists for further discovery of significant base and precious metal deposits.

Takane is one of three licences covered by the joint venture and represents ~80 sq km of the total ~185 sq km included in the JV agreement. The JV tenements form part of BML's extensive exploration portfolio in Botswana which covers over 1000 sq km of highly prospective terrain.

The BML portfolio runs East – West along the Limpopo Mobile Belt that extends into eastern Botswana from Zimbabwe where it hosts several significant mineral discoveries.

The Takane area is approximately 10 km from the Maibele North Prospect.

**Proposed Work Program**

Following the successful first stage of exploration, the JV partners have committed to undertaking a comprehensive program of ground Time Domain Electro-Magnetic (TDEM) surveying and ground magnetometer surveys. A total of 50 line kilometres of TDEM and 100 line KM of magnetic surveying will be completed across anomalous zones at the four Ni-sulphide prospective targets. This work is designed to identify drill targets by helping refine the VTEM conductor models and enabling accurate geological and structural maps to be created.

Once completed and interpreted an appropriate drill program will be designed and proposed to the JV partners for consideration.

**Recent Work**

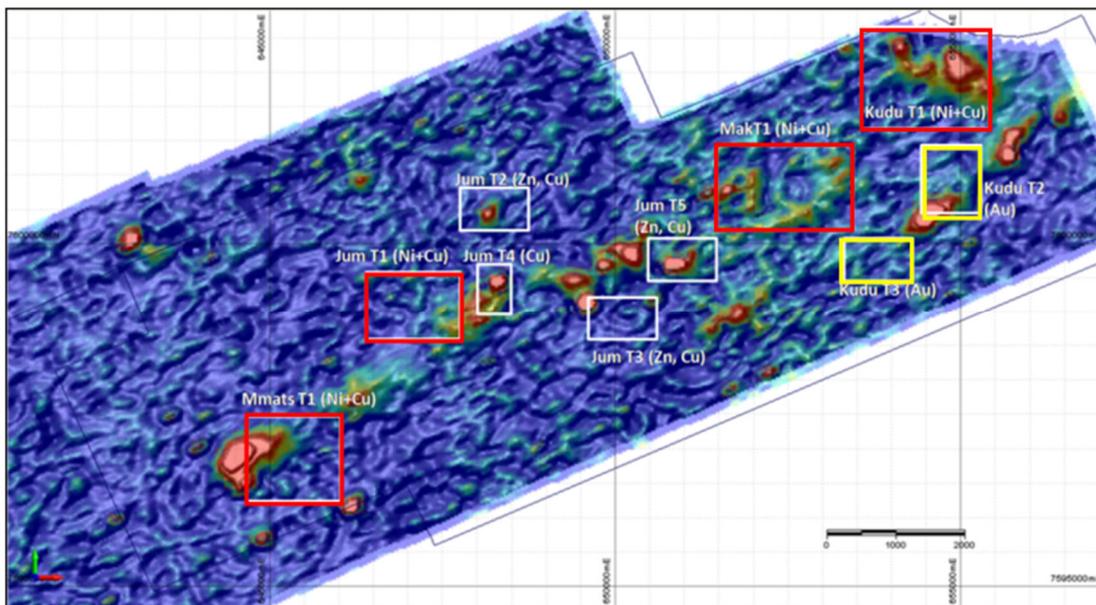
A review of PL54/98 during 2014 identified a total of 10 priority exploration targets. The majority of targets on PL54/98 present as potential ultramafic-associated Ni-Cu sulphide bodies but a number of possible base-metal (Zn+Cu) VMS targets and

structurally-hosted gold prospects have also been identified. Exploration targets are typically defined by prominent VTEM anomalies coincident with favourable geological features and often encouraging historic surface geochemistry. Six of these were earmarked for immediate exploration activities targeting Nickel + Copper (4 targets) and Gold (2 targets) mineralisation

Initial exploration commenced with infill soil sampling and geological mapping aimed at assessing the VTEM anomalies and confirming regional maps and historic geochemical results.

Infill and reconnaissance soil sampling and geological mapping over the six prospects was completed late in 2014. Soil samples were assessed in the field using a handheld portable INNOVEX XRF analyser and the results examined for anomalism in elements such as Ni, Cu, Co, Cr that are considered positive indicators of possible Ni-sulphide mineralisation. Results from the work were encouraging, with samples from the prospective Ni-sulphide targets confirming geochemical anomalism in soil Ni and Cu levels at Mmats T1 and Jum T1 and showing elevated coincident Ni and Cu in the previously untested Mak T1 and Kudu T1 prospects. All of these prospective Ni-sulphide targets contain ultramafic rock types coincident with prominent VTEM conductors and elevated soil geochemistry.

Samples collected at gold targets Kudu T2 and Kudu T3 were sent for independent laboratory analysis for Au. Results are pending.



**Figure 7:** Location of the 10 target areas, including the 6 priority areas earmarked for follow up Exploration. The Ni-cu targets to undergo ground geophysics are marked by Red Squares, and the 2 gold prospects are marked by yellow Squares. Background is the regional VTEM image

Table 1: Takane: Four priority target areas from PL54/98 selected by the Joint Venture for detailed ground geophysical surveys

TARGET	PROSPECT	Geochem	VTEM	Other Features	Current Work	Work Required
<b>Mmats T1</b>	Mmatsiane	Ni	11880a	Ultramafic present	12 km TDEM 12 km ground mag	Trenching, Drilling
<b>Jum T1</b>	Jumbo	Ni, Cu, Au	N/A	Ultramafic present	12 km TDEM 22.5km ground mag	Trenching, Drilling
<b>Mak T1</b>	Makhantlele	Ni, Cu	12390a, 12410a, 12510a	Ultramafic , fold nose, 'bullseye'	10.8 km TDEM 39 km ground mag	Trenching, Drilling
<b>Kudu T1</b>	Kudumane	Ni, Cu	12620a 12660a	Ultramafic , fold nose	14.5 km TDEM 14.5 km ground mag	Trenching, Drilling

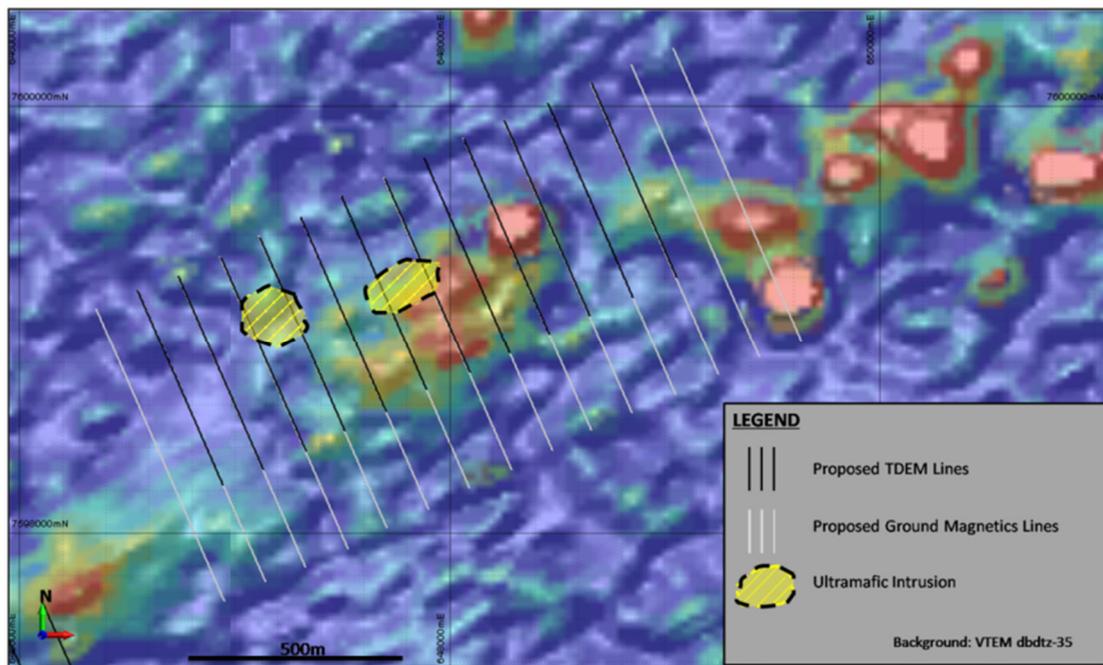


Figure 8: Jum T1 Prospect: Location of the proposed TDEM and ground mag survey lines over the regional VTEM image. Red blobs = strong VTEM conductors. Hashed yellow shape = mapped ultramafic.

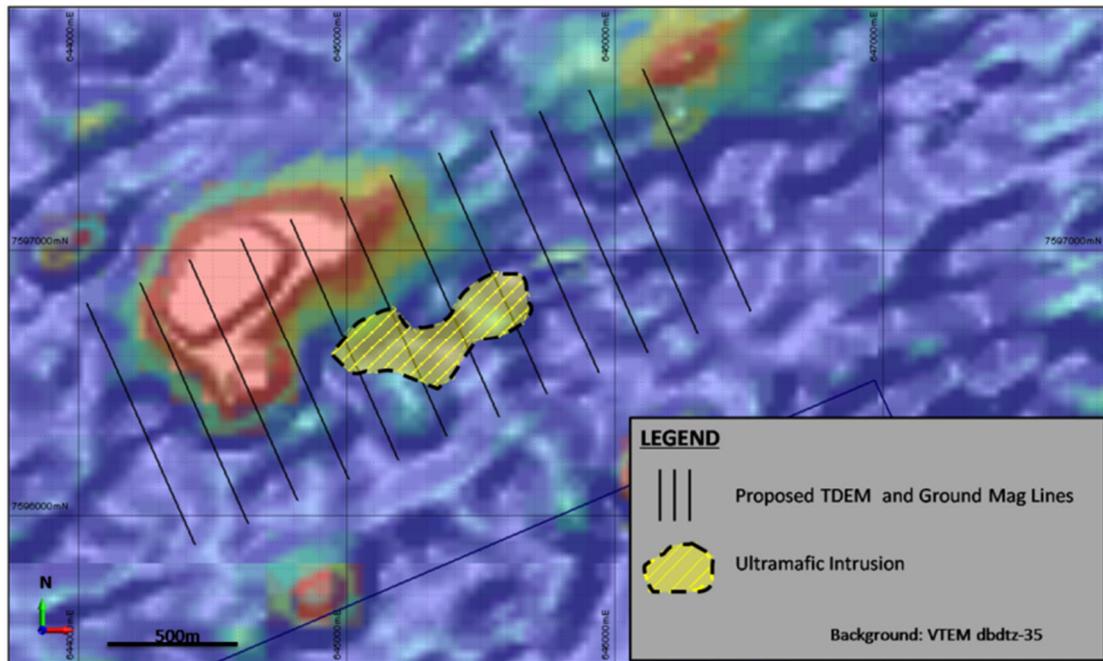


Figure 9: Mmats T1 Prospect: Location of the proposed TDEM and ground mag survey lines over the regional VTEM image. Red blobs strong VTEM conductors. Hashed yellow shape = mapped ultramafic.

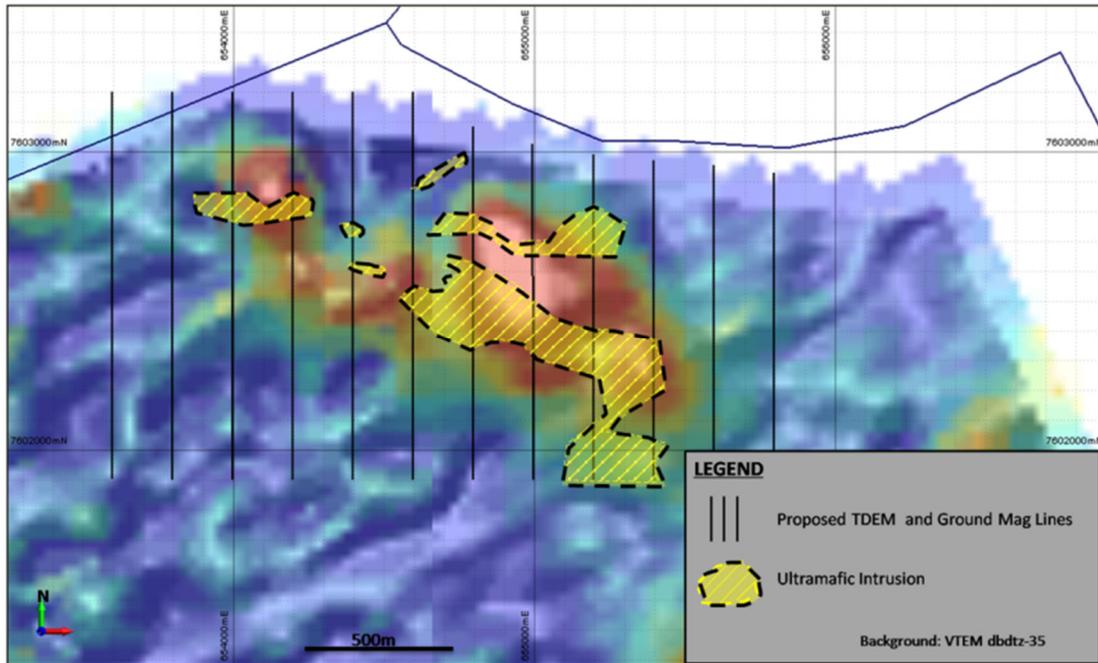


Figure 10: Kudu T1 Prospect: Location of the proposed TDEM and ground mag survey lines over the regional VTEM image. Red blobs strong VTEM conductors. Hashed yellow shape = mapped ultramafic.

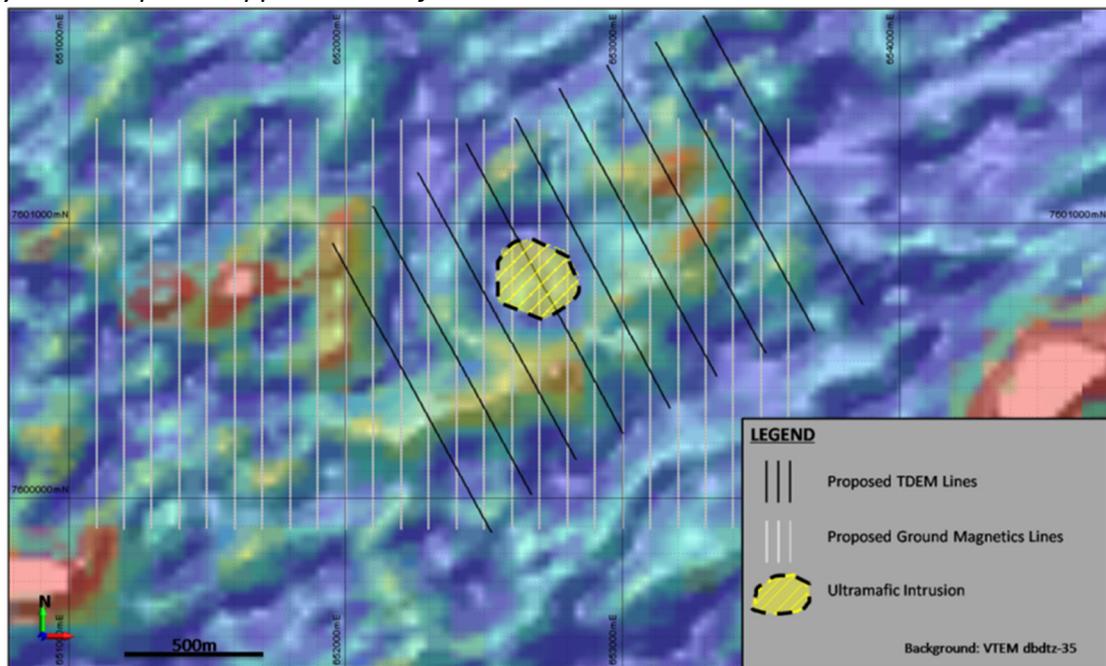


Figure 11: Mak T1 Prospect: Location of the proposed TDEM and ground mag survey lines over the regional VTEM image. Red blobs strong VTEM conductors. Hashed yellow shape = mapped ultramafic.

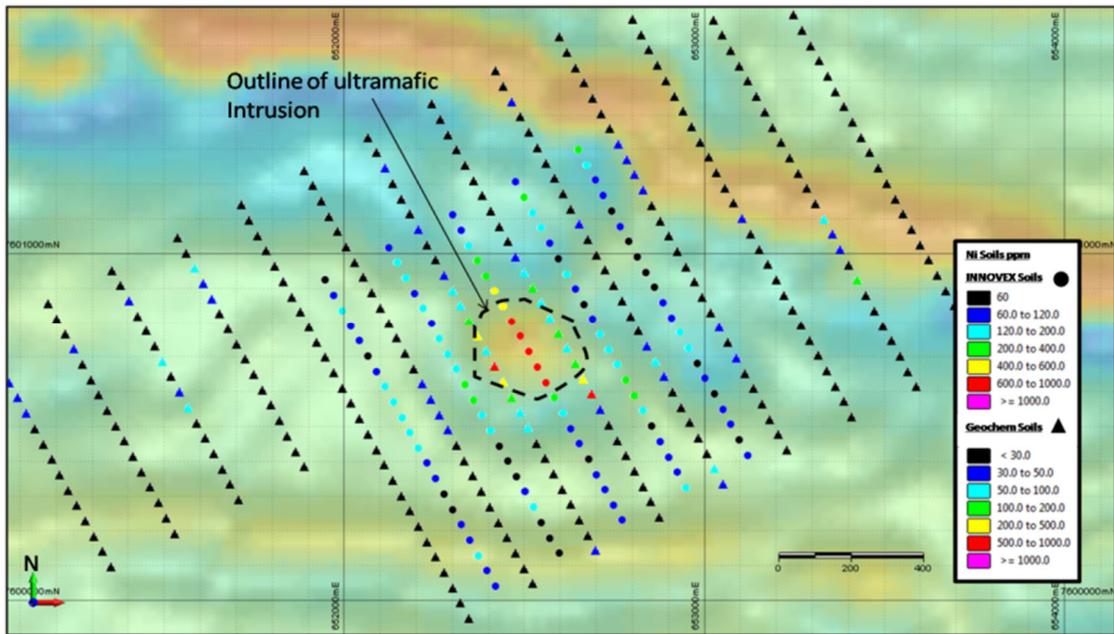


Figure 12: Mak T1 Prospect: Ni Soil geochemistry showing elevated response in both historic samples (triangles) assayed in the laboratory and the recent infill survey (spots) analysed using a handheld XRF in the field.

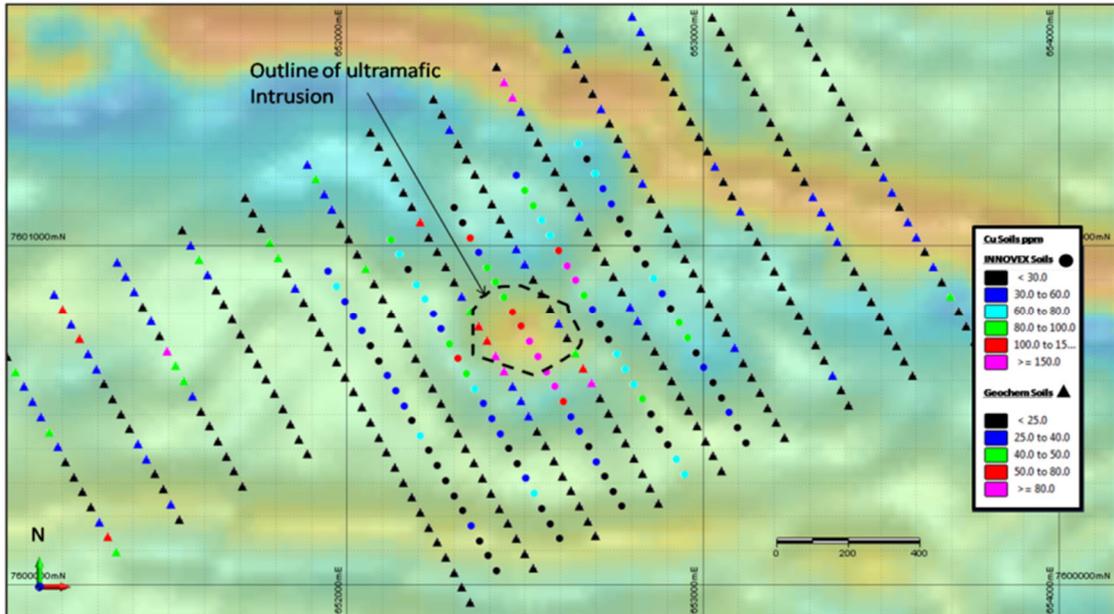


Figure 13: Mak T1 Prospect: Cu Soil geochemistry showing elevated response in both historic samples (triangles) assayed in the laboratory and the recent infill survey (spots) analysed using a handheld XRF in the field.

### **Exploration Activities outside the JV PLs during the Quarter**

Activities outside the Prospecting Licences not covered by the JV with BCL focused on planning of field work programs for the Maibele North Extension PL59/2008 (100% BML). Work on the other PLs kept to a minimum during the quarter as the Company focused on continued exploration on the Joint Venture prospects as outlined above.

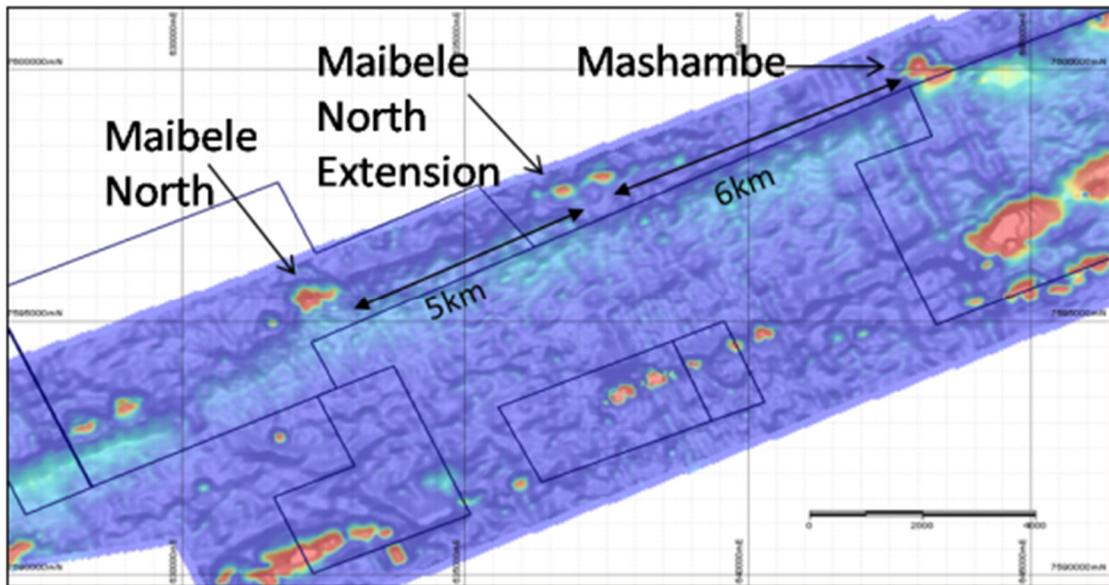
The Company has retained the services of Mr Steve Groves (MAIG, MSEG) as its competent person to review exploration activities of the Company.

### **PL 59/2008 Maibele North Extension (100% BML)**

The 2014 renewal of this 100% owned licence has allowed BML to plan its exploration strategy outside of the BCL Limited Joint Venture ground for 2015. Of particular importance is PL 59/2008 where indicators of potential Ni-Cu mineralisation similar to that displayed at Maibele North have been discovered through soil geochemical surveys, geological mapping and airborne VTEM surveys showing coincident strong conductors at both Maibele Extension and Mashambe. These two prospects lie along an interpreted geological horizon that appears to be a preferential host to Ni - Cu mineralisation, with Maibele Extension some 5 km east of Maibele North and Mashambe a further 6km east of Maibele Extension. These targets will be considered for drill testing in the 2015 field season. A recent review has confirmed outcropping ultramafic bodies identified at surface with similar Ni-Cu-PGE exploration indicators as that at Maibele North. Potential drill targets will be examined in 2015.

- Summary of the previous exploration at Maibele North Extension includes:
  - Soil geochemical sampling and mapping which has identified outcropping ultramafic bodies
  - Soil geochemistry identified Ni-Cu-PGE anomalies similar to Maibele North
  - Vtem anomalies have also been identified on the PL.

Follow-up work including further sampling, mapping and ground geophysical surveys with a view to planning drill programs to adequately test the mineral potential of the targets is anticipated for the 2015 field season.



**Figure 14:** Location of the Maibele North Extension target areas along strike from Maibele North) over the regional VTEM image.

BCL has a first right of refusal over this area however BML can carry out its own exploration activities over this ground.

BML still has other interested parties looking to joint venture or assist with the exploration of this Prospecting Licence. The Board will assess and is keeping its options open regarding exploring this tenement and once the Maibele North drill results are known should be in a better position to determine a strategy.

#### **PL 111/2011**

The Company applied to renew PL 111/2011 on 31 March 2014. No correspondence was received in the December 2014 quarter on the status of this application.

#### **PL 126/2011**

The Company allowed this PL to expire in the quarter and did not seek to re-apply for a renewal.

#### **PL 158/2009 and PL 360/2008**

In June 2013 the Company was advised that the DOM did not renew these licence.

In the March 2015 quarter, the area previously covered in these expired licences form part of a new application for a PL with the DOM.

**Exploration areas held in Botswana**

The Company holds the following prospecting licences in Botswana:

Tenement	Renewal / Expiry Date	Percentage Holding	Title Holder	Comment
Magogaphate PL 110/94	31/03/16	100	African Metals (Pty) Ltd	J/V with BCL Ltd effective 01/04/14
Mokoswane PL 111/94	31/03/16	100	African Metals (Pty) Ltd	J/V with BCL Ltd effective 01/04/14
Takane PL 54/98	31/03/16	100	African Metals (Pty) Ltd	J/V with BCL Ltd effective 01/04/14
Shashe South PL 059/2008	30/09/2016	100	African Metals (Pty) Ltd	Renewal granted until 30/09/16
Central PL 070/2008	30/09/2016	100	African Metals (Pty) Ltd	Renewal granted until 30/09/16
Central Sampa PL 111/2011	30/06/2014	100	African Metals (Pty) Ltd	Renewal application lodged 31/03/14

African Metals (Pty) Ltd is a wholly owned subsidiary of the Company.

Minerals Holdings (Botswana) Pty Ltd holds a 5% net profit share interest in PL 110/94, PL 111/94 & PL 54/98.

PL 110/94, PL 111/94 and PL 54/98 were extended for a further two years to 31 April 2016.

On 1 April 2014 a Farm-In Joint Venture agreement with BCL Limited became effective where BCL Limited can earn an initial 40% interest in these 3 PLs based on making certain expenditure commitments.

Other than as detailed above, the Company did not acquire or dispose of any other tenements or beneficial interests in farm-in agreements during the quarter.

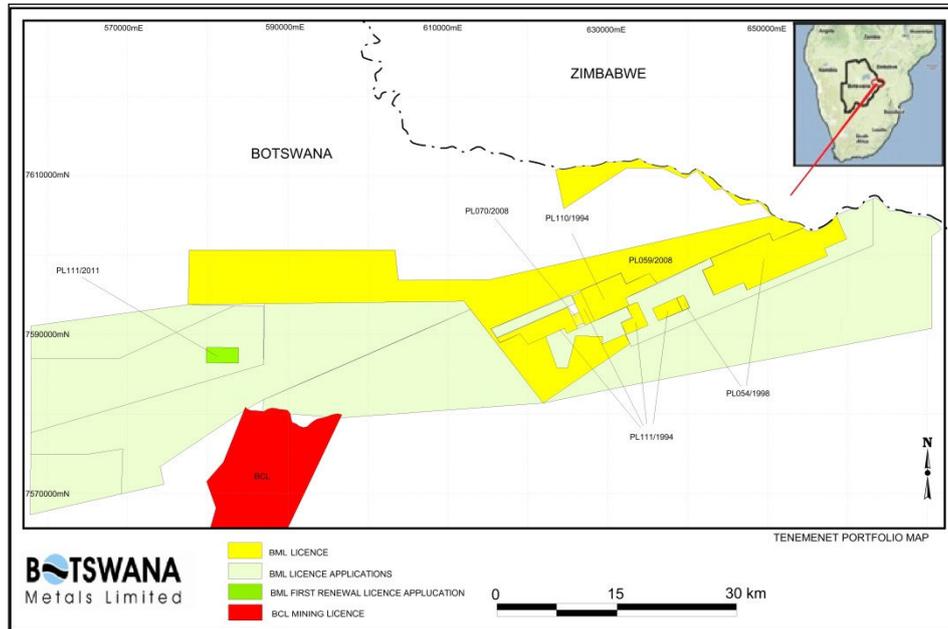


Figure 15: BML exploration tenement portfolio in Botswana. Prospecting Licences subject to the Joint Venture with BCL are shaded light blue.

**Pat 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 Mining and Metallurgy. 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.*

**About BCL Limited**

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

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.

BCL Investments (Pty) Limited is a wholly owned subsidiary of BCL Limited.

### **About the BCL Limited Farm-In Joint Venture on PL 110/94, PL 111/94 and PL 54/98**

BCL Investments (Pty) Limited ("BCL"), under the joint venture agreement, can spend an initial AUD\$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 projects. BCL also has a first right of refusal to participate in exploration on the Company's other prospecting licences in Botswana.

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

### **BCL Investments (Pty) Limited - Farm-in Joint Venture Agreement**

BCL executed the revised Farm-In Joint Venture Agreement on 22 January 2014 with the only condition precedent being that the DOM grants extensions to PL 110/94, PL 111/94 and PL 54/98 ("the three PLs"). The DOM subsequently granted the extensions to the three PLs.

The Company has made base metal discoveries within the three PLs: Maibele North (nickel, copper and platinum group elements), Airstrip Copper (copper and silver) and Dibete (copper and silver). A total of 23 VTEM base and precious metal anomalies have been identified to the east of the discoveries.

The Company believes that the agreement with BCL could substantially benefit the Company and its shareholders. The BCL group has been operating a nickel, copper and platinum group elements mine and smelter facility at Selebi Phikwe since the 1970s. Both operations are only 55 km to the southwest of the PLs. BCL has put in place a policy to find business opportunities that can extend the longevity of the mining and smelting operations located at Selebi Phikwe. BCL employs 5,000 people and the township of Selebi Phikwe has a population of 50,000.

#### **Botswana Metals Limited**

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The Joint Venture partnership can potentially fast track BML's efforts towards commencing an operation within the three PLs. The economics of bringing these potential projects to production will be significantly enhanced by the fact that the BCL group mining and smelting facilities are already in existence and logistically close enough for ore to be trucked to the Selebi Phikwe site.

Of the three BML projects, Maibele North nickel prospect has been given priority for drilling as previous diamond drilling intercepted nickel mineralisation at around a depth of 50 m. In March 2015 a maiden resource of 2.82m/t Ni+Cu+PGEs was declared with the resource still open to the west, east and at depth. If the economics permit, the capital and operating costs of developing a mine would be significantly reduced due to the availability of BCL's processing plant situated 55 km away from the joint venture exploration areas.

BCL and the Company continue to revise and prepare exploration plans for the JV areas. Takane commenced exploration activities including soils geochemistry and TDEM ground magnetics in the December 2014 quarter with VTEM anomalies already known. When results are known they will determine the level of activities for 2015 on this PL which has identified several exciting targets already as detailed in this report.

### **About Botswana Metals Limited**

Botswana Metals Limited ("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 1,000 sq. km all located in Botswana and has made new PL applications lodged in the March 2015 quarter that will significantly expand the exploration portfolio of BML along the same Limpopo belt that its current PLs are held.

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

Recent exploration has resulted in three discoveries of Nickel-Copper and Copper-Silver mineralisation known as Airstrip Copper, Maibele North and Dibete. The Ni-Cu 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.



55km to the south of the three discoveries is the BCL Limited mine and smelter. BML entered into a farm in agreement with BCL that became effective on 1 April 2014.

BML has solid logistical support and the projects benefit from excellent infrastructure. The Company is managed by experienced personnel with 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 (Selebi Phikwe).

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## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

BOTSWANA METALS LIMITED

ABN

96 122 995 073

Quarter ended ("current quarter")

31 MARCH 2015

#### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	2	241
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(45)	(254)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	2	5
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material):		
<b>Net Operating Cash Flows</b>	<b>(130)</b>	<b>(546)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(2)	(2)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
<b>Net investing cash flows</b>		
1.13 Total operating and investing cash flows (carried forward)	<b>(132)</b>	<b>(548)</b>

+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(132)	(548)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.		3
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	<b>Net financing cash flows</b>		3
	<b>Net increase (decrease) in cash held</b>	(132)	(545)
1.20	Cash at beginning of quarter/year to date	482	895
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	350	350

### Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	61
1.24	Aggregate amount of loans to the parties included in item 1.10	
1.25	Explanation necessary for an understanding of the transactions	
	Director's remuneration	\$A'000 59
	Director's consulting fees	2

### Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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+ See chapter 19 for defined terms.

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	25
4.2 Development	
4.3 Production	
4.4 Administration	100
<b>Total</b>	<b>125</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	350	482
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details) - Term deposits with Australian banks		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>350</b>	<b>482</b>

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+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

#### Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements and petroleum tenements acquired or increased			

#### Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	<b>Preference securities</b> (description)			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	<b>+Ordinary securities</b>	568,822,164	568,822,164	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs			
7.5	<b>+Convertible debt securities</b> (description)			

+ See chapter 19 for defined terms.

**Appendix 5B**

**Mining exploration entity and oil and gas exploration entity quarterly report**

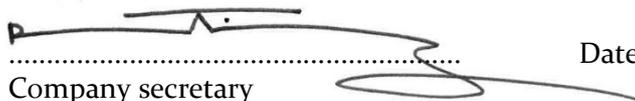
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7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> <i>(description and conversion factor)</i>	410,233,933	410,233,933	<i>Exercise price</i> 1.5 cents (\$0.015)	<i>Expiry date</i> 31/12/2016
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	<b>Debentures</b> <i>(totals only)</i>				
7.12	<b>Unsecured notes</b> <i>(totals only)</i>				

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:

  
 .....  
 Company secretary

Date: 30/04/2015

Print name: RAMON JIMENEZ

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

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+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

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- 2 The “Nature of interest” (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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