BOTSWANA
Metals Limited
ABN 96 122 995 073

ASX Code: BML

TO: **COMPANY ANNOUNCEMENTS OFFICE**
ASX LIMITED

DATE: **31 JULY 2015**

QUARTERLY REPORT TO 30 JUNE 2015

Highlights:

Cash Position:

The cash balance as at the date of this report is ~$660,000.

- Cash balance at 30 June 2015 was ~$275,000 (including $79,000 received under the Share Purchase Plan). An Appendix 5B report is attached.

The company raised a total of $585,250 via a Share Purchase Plan which opened during the quarter and closed on 17 July 2015.

Operational Highlights for the quarter:

BML has four focused business objectives:

1. **PL 110/94 MAIBELE NORTH:**
   TO EXPAND KNOWN RESOURCE FOR POTENTIAL MINING.
   - Grow and reclassify the current JORC resource status from inferred to indicated by infill drilling and met drilling
   - Extend the known resource by step out drilling of new SQUID TDEM and DHEM conductor targets

   Action: 12,500m drill program commenced during the quarter. (See Figure 3 below.)

Botswana Metals Limited
Suite 3, 16 Cotham Road, Kew, Victoria 3101
P: +61 3 9855 1885; F: +61 3 9855 2885
Email info@botswanametals.com.au
www.botswanametals.com.au

2. PL54/98 TAKANE:

TO EXPLORE THE UNTAPPED POTENTIAL FOR SEVERAL NEW DISCOVERIES

Action:

- 23 VTEM anomalies prioritised down to 4 for immediate work
- SQUID EM technology field program completed over 4 targets areas during the quarter.
- SQUID and VTEM being interpreted for drill targets to be presented to the JV.

The BML board believes this area has the potential to be declared a new mineralised province located along the well-known Limpopo Belt as it extends into Botswana on its eastern border from Zimbabwe (see Figure 9.)

3. PL59/2008: 100% OWNED BY BML

TO EXPLORE FOR THE EASTERN EXTENSION TO MAIBELE NORTH ORE BODY.

- Anomalies identified are within 4km and along strike to the Maibele North orebody (see Figure 10.)
- The objective is to drill a number of holes into the best targets before the end of 2015.

Action: exploration commenced in July 2015 with the SQUID technology commissioned and now onsite.

4. BML EXPLORATION PROFOLIO:

TO GROW THE CURRENT PORTFOLIO FOCUSING ON THE EASTERN BOARDER OF BOTSWANA ALONG THE LIMPOPO BELT.

- 1000sq km under licence of which
- 184sq km under JV with BCL Limited.

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Action:

- 3000sq km of new PL applications were lodged in 2015 and are pending processing by the DOM.
- During the quarter, work commenced on BML's 100% owned PL59/2008.

BML is committed to its total exploration portfolio of which **184km** is under JV with BCL Limited.

In 2015 BML made applications for several new prospecting licences that if granted will significantly increase the total exploration area secured by BML under its management.

The board strategy is to secure the most prospective ground along the Limpopo belt where BML has accumulated in-depth geological and geophysical knowledge during nearly 10 years of exploration. (see Figure 2.)

Progress achieved in the quarter to 30th June 2015:

PL 110/94: Maibele North JV with BCL Limited

The JV committed to a further 12,500m of drilling at Maibele North which commenced in June 2015. Refer Figures 3 to 7

- To date 16 holes have been completed.
- All step out holes (7) to date were designed to test SQUID TDEM and/or DHEM conductors and 6 have so far intersected significant sulphides.

Step out holes intersected significant sulphides

- 200m beneath the known ore body
- 250 m to the east of the known ore body
- 400m to the north-east of the known ore body

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The drilling program is also confirming

- Numerous thick sulphide intersections within the existing orebody
- Highly encouraging sulphide intersections at SQUID EM conductor targets along strike and adjacent to existing orebody
- SQUID EM surveys have identified a number of strong conductors up to 1km along strike from orebody

PL 54/98: Takane JV with BCL Limited

- During the quarter the known 23 VTEM anomalies at PL 54/98 Takane were prioritised down to 4 targets for immediate follow up (see Figure 9).
- SQUID TDEM and ground magnetic surveys were employed and completed over these 4 priority targets in the June 2015 quarter.
- A review and interpretation to determine the next steps forward is in progress between the JV partners.

PL59/2008: Shashe South

- BML contracted the services of a South African company, Spectral Geophysics who has performed all the SQUID EM for the JV ground, to conduct SQUID EM surveying on BMLs 100% PL59/2008.
- The SQUID program commenced late in July 2015 and will focus on three areas as shown at Figure 8 and 10 in this report.

Corporate:

Cash Position and Capital Raising

Cash at bank was $275,000 at 30 June 2015.

Share Purchase Plan

During the quarter the Company offered a Share Purchase Plan to Eligible Shareholders. The Plan closed following the end of the quarter and the

Company raised a total of $585,250 (before costs) through the issue of new shares at an issue price of 0.75 cent ($0.0075) per new share.

The Company now has 648,355,435 shares on issue.

Exploration Activities for the June 2015 quarter:

Location Map and Schedule of Prospecting Licences held by BML.

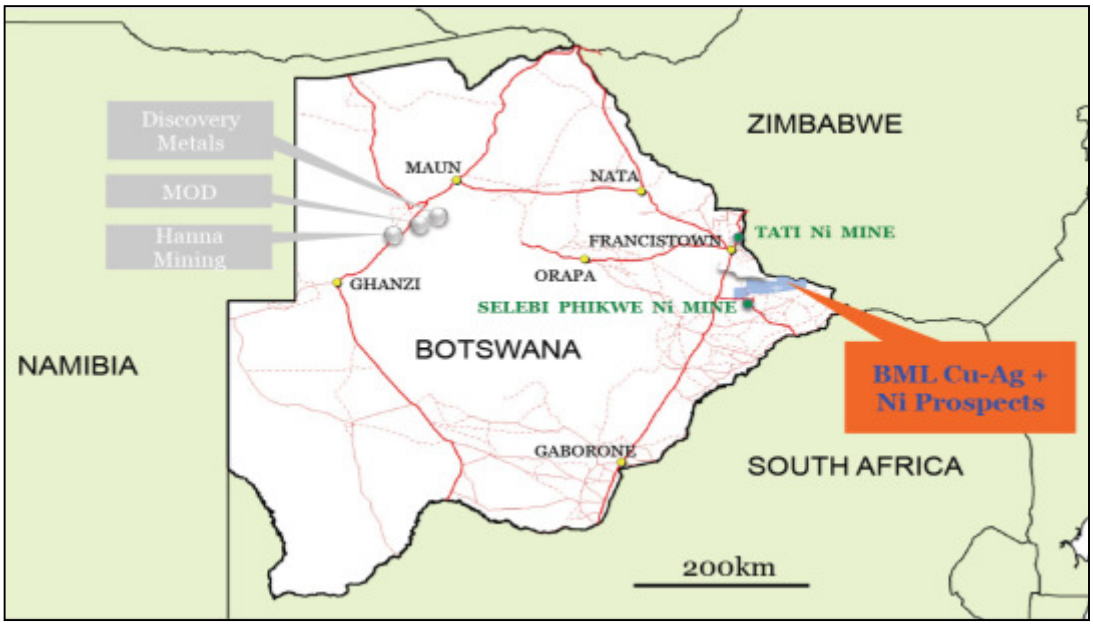


Figure 1: *Location of Botswana Metals Limited Exploration portfolio in Botswana*

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 3 PLs based on making certain expenditure commitments. If BCL Limited funds to the end of a Bankable Feasibility Study then BCL can earn a 70% equity interest in the 3 JV PL's being 110/94, 111/94 and 54/98.

Several new PL applications were lodged with the Department of Mines in the March 2015 quarter which are still being processed. These are shown in light green in figure 2 below.

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

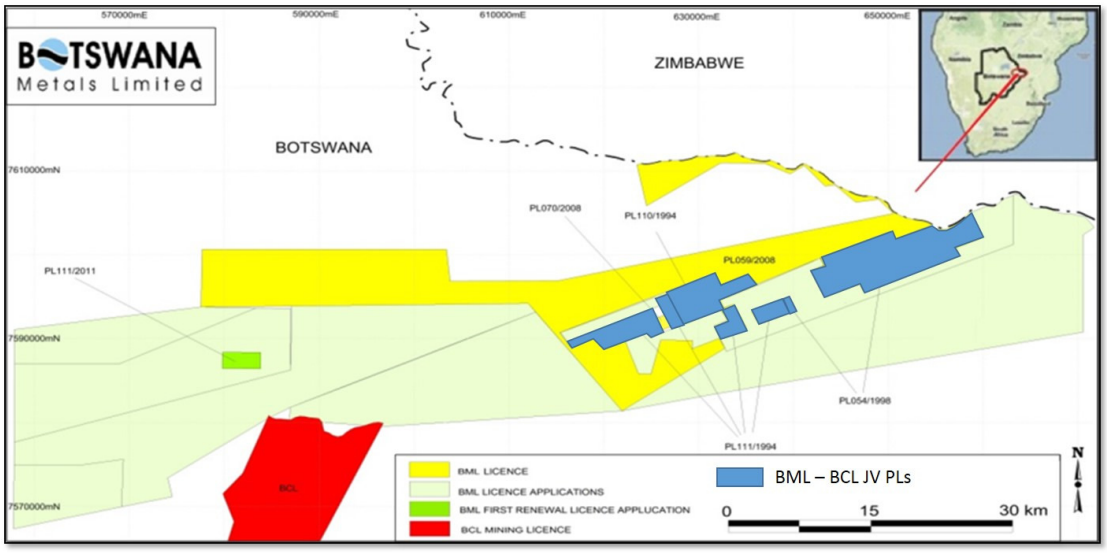


Figure 2: BML exploration tenement portfolio in Botswana. Prospecting Licences subject to the Joint Venture with BCL are shaded light blue.

JOINT VENTURE EXPLORATION ACTIVITIES FOR THE QUARTER

PL110/94 - Maibele North

During the June 2015 Quarter, the Joint Venture partners, BCL Limited, committed to an extensive program of Infill, Metallurgical and Extension drilling at the Maibele North deposit. Totalling ~12,500m the program is divided evenly between in-resource drill holes and extension holes targeting the number of significant conductor targets along strike and adjacent to the main orebody.

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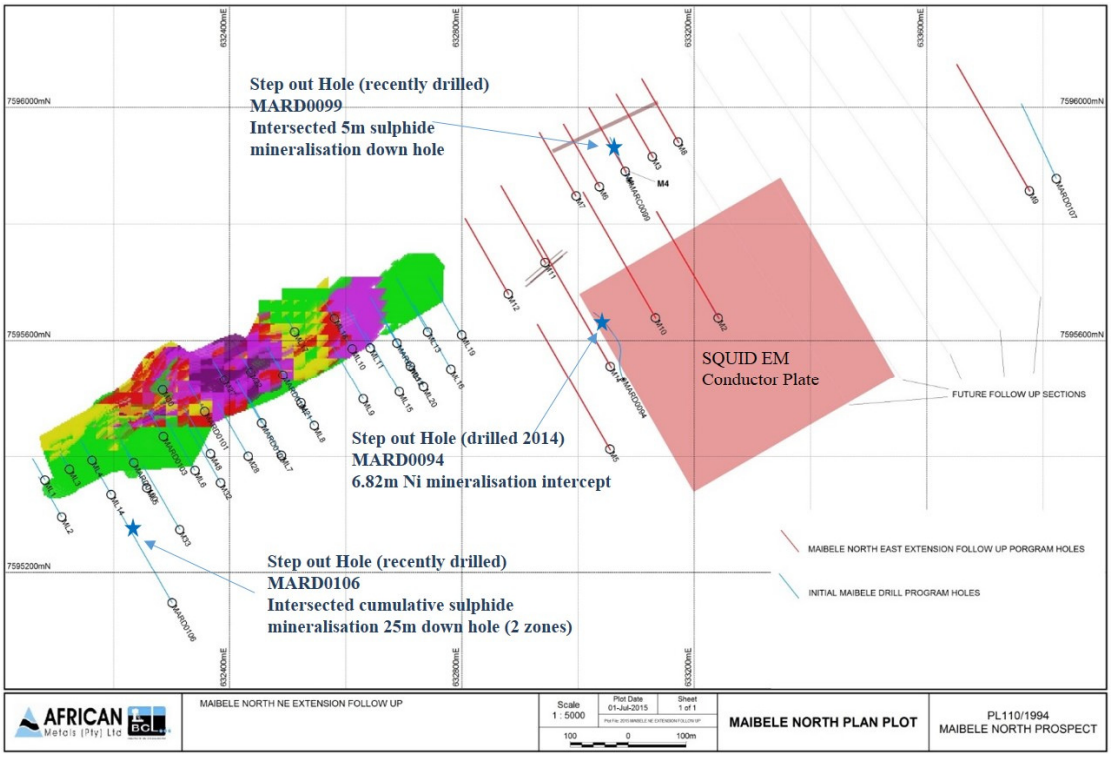


Figure 3: *shows the Maibele North orebody and in red the 12 additional step out holes that will be drilled in addition to the 5 step out holes shown in blue*

The focus of the program is to both upgrade and grow the JORC-compliant Inferred resource that was announced to the market during the March quarter. The estimate was performed 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

Ground work completed during the quarter and to the date of this report included 4076.84m of drilling in 16 completed and 3 pre-collared holes as well as fixed loop SQUID Time Domain Electromagnetic Surveys (TDEM) designed to assess the strike and depth potential of the mineralisation to the northeast. A number of significant conductors have been identified from this program and are the subject of the extensive resource extension campaign currently underway.

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Initial Drilling Results

A total of 16 holes have been completed to date. Nine metallurgical holes and 7 extension holes had been completed with significant sulphide intersections observed in many of the holes. A further 3 holes had commenced with RC pre-collars by the date of this report. Samples are currently being prepared for laboratory assay and results will be released when available.

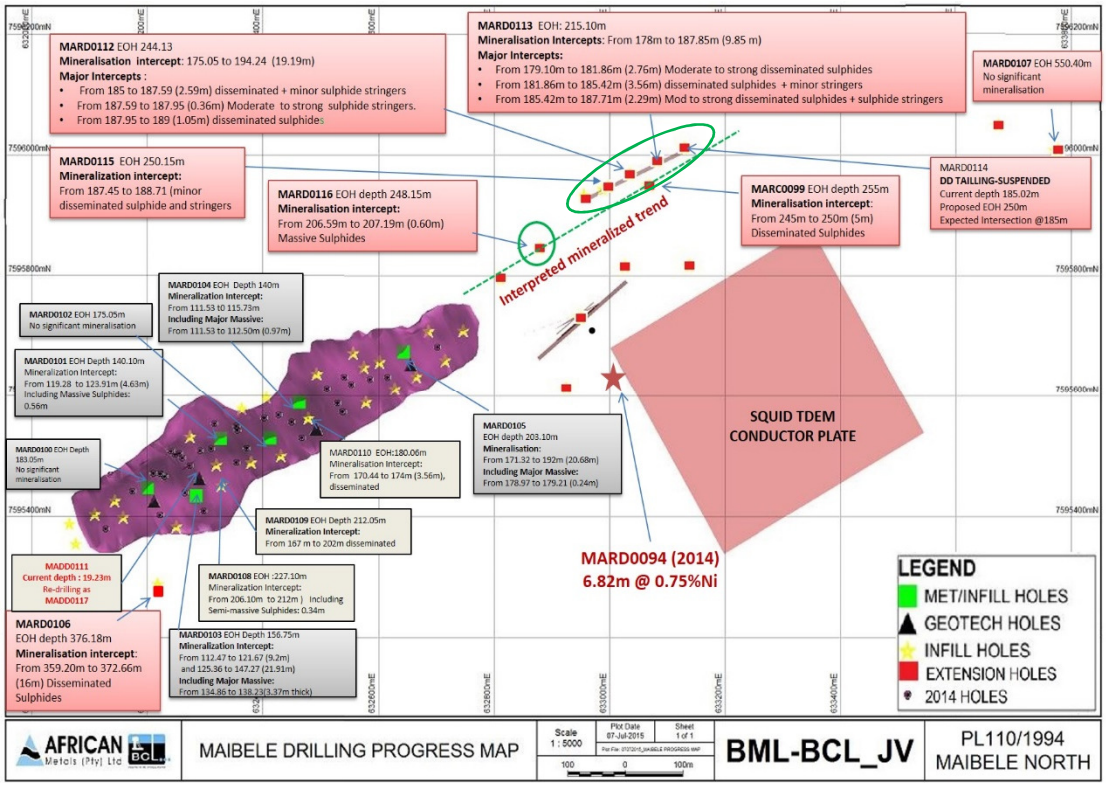


Figure 4: *shows infill and step out holes drilled to the end of the June quarter. SQUID targets so far drilled have all encountered mineralisation with at least three more planned with the furthest up to 1km to the east of Maibele North resource.*

Highlights of the Metallurgical and Infill program include:

- **MARD0101:** Mineralisation was intersected between 119.28 and 123.91m (4.63m down hole) including 0.56m thick zone of massive sulphides. This met/infill drill hole planned to target the thick mineralisation zone behind MADD058.

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- **MARD0103:** Several zones of disseminated, semi-massive and massive sulphide mineralisation were intersected between 112.47m to 121.67m (9.2m down-hole) and 125.36m to 147.27m (21.91m down-hole).
- **MARD0104**: intercepted 4.2m of sulphide mineralisation from 111.53m, including 0.97m of massive sulphide
- **MARD0105**: intercepted 20.68m of sulphide mineralisation from 171.32m, including 0.24m of massive sulphide

Highlights of Step-out Holes targeting DHEM and SQUID EM Conductors

- **MARC0099**
  - 5m sulphide intersection from 245m

- **MARD0106** (targeting DHEM conductor adjacent to the orebody)
  - 25m of mineralised sulphides over 2 zones:
    - 9m from 289m and
    - 16m from 359m.

- **MARD0112 (EOH 244.13m)**
  - Mineralised intersection: 175.05 to 194.24 (19.19m)
  - Significant zones:
    - 185m to 187.59m (2.59m) disseminated + sulphide stringers
    - 187.59m to 187.95m (0.36m) Moderate to strong sulphide stringers.
    - 187.95m to 189m (1.05m) disseminated sulphides

- **MARD0113 EOH: 215.10m**
  - Mineralised intersection: 178m to 187.85m (9.85 m)
  - Significant zones:
    - 179.10m to 181.86m (2.76m) Moderate to strong disseminated sulphides
    - 181.86m to 185.42m (3.56m) disseminated sulphides + stringers
    - 185.42m to 187.71m (2.29m) Mod to strong disseminated sulphides + sulphide stringers

- **MARD0115 (EOH 250.15m)**
  - Mineralised intersection:

- 187.45m to 188.71m disseminated sulphide and stringers

➢ **MARD0116 (EOH 248.15m)**

- Mineralised intersection:
  - 206.59m to 207.19m (0.60m) - Massive Sulphides

SQUID technology: all SQUID Conductors drilled to date have returned significant sulphide intersections returning a 100% success rate. Due to down hole deviations, all of the holes targeting SQUID conductors have pierced the conductor plates on their peripheries and great anticipation for even better intersections exists for future holes that pierce the centre of these targets.

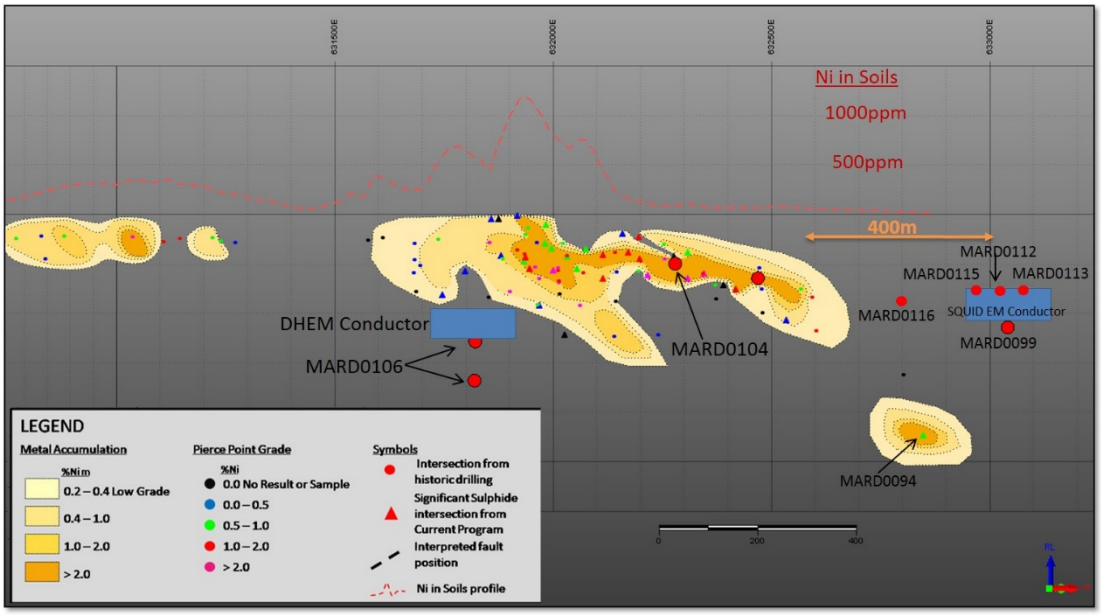


Figure 5: *Long Section, looking to the Northwest showing the Ni accumulation (yellow shading), historic drill pierce points and the pierce points from the recently completed holes (Red spots). Blue rectangles indicate conductor plate models*

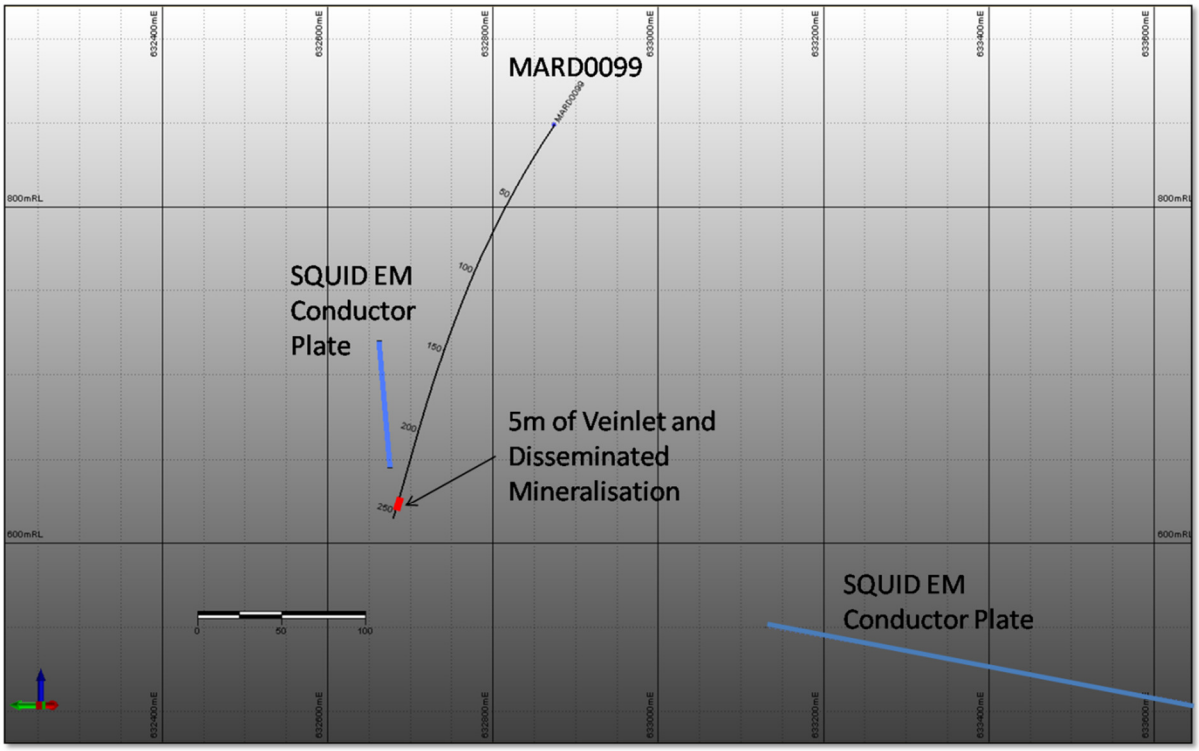


Figure 6: *Cross section, looking northeast, through step-out hole MARD0099. Note the significant drop in the drill trace and the result miss of the modelled EM conductor (blue line). The sulphide mineralisation (red) in the drill hole lies directly beneath the modelled conductor.*

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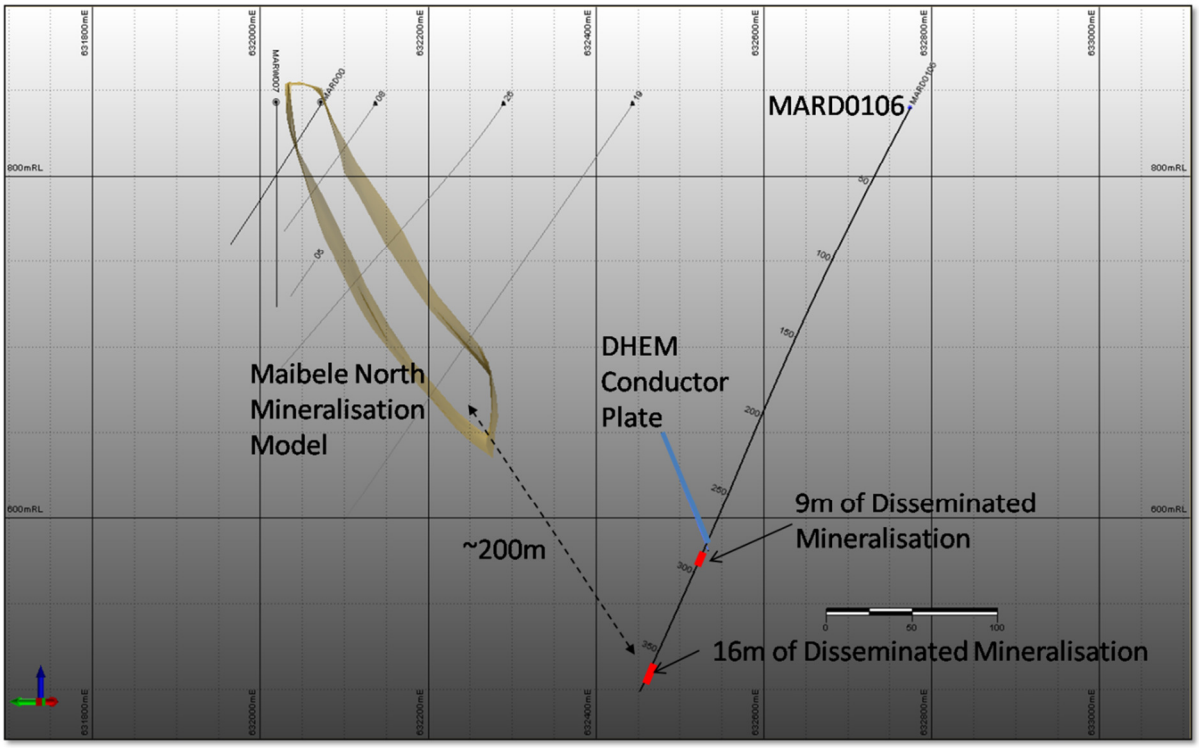


Figure 7: Cross section, looking northeast, through step-out hole MARD0106. Note the drop in the drill trace and the result miss of the modelled EM conductor (blue line). The first sulphide zone (red) in the drill hole lies directly beneath the modelled conductor and the second, at the bottom of the hole, lies in the extended down-dip position of the Maibele North orebody.

2015 Time Domain Electromagnetic (SQUID) Survey

Spectral Geophysics from Gaborone, Botswana, completed a SQUID system for Time Domain Electromagnetics at Maibele North over the northeast, along strike from the existing mineralisation and the southeast end of Maibele North during the quarter. The SQUID TDEM has helped resolve the deeply plunging conductors on both ends of the orebody that were poorly identified by previous geophysical methods. The survey has successfully identified at least 4 prospective conductors along strike to the northeast that are the focus of the current drilling program.

SQUID EM TECHNOLOGY:

A **SQUID** (**superconducting quantum interference device**) is a very sensitive magnetometer used to measure extremely subtle magnetic fields, based on superconducting loops containing Josephson junctions. The SQUID technology has

many uses and is often employed in the medical industry in such application as Magnetic Resonance Imaging (MRI). In minerals exploration, the SQUID EM technique can be used to accurately detect very deep conductors potentially associated with sulphide accumulations.

The SQUID system is stronger and more sensitive than the previous equipment used and has 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 used successfully used in many exploration campaigns in the world.

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 6). 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 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.

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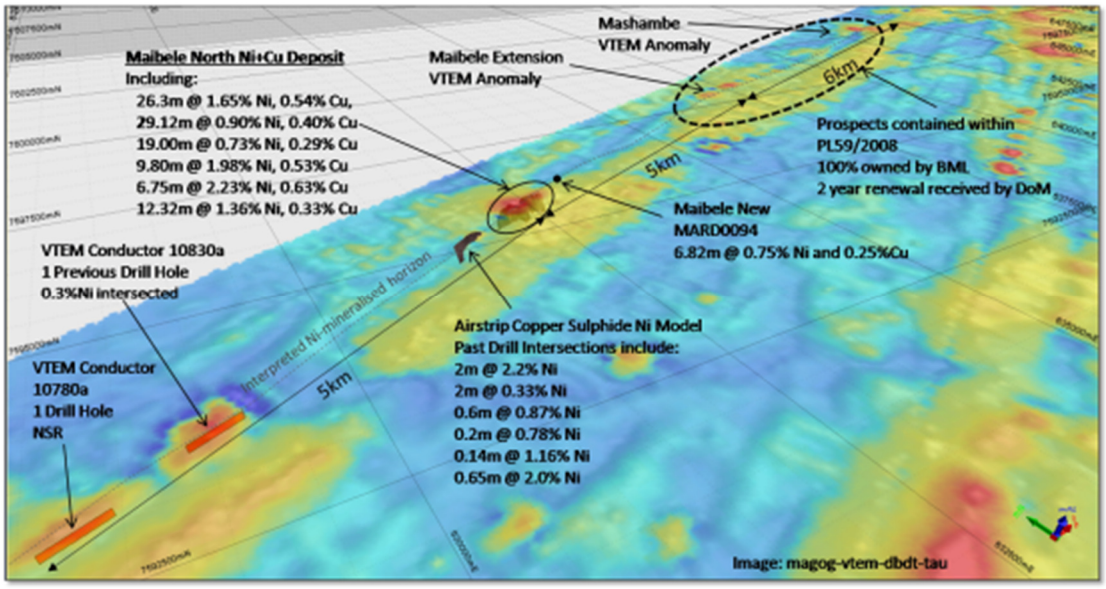


Figure 8: Regional perspective view from above, looking northeast, of the linear horizon along which the Maibele North-Aistrip mineralised trend lies. Background image is VTEM db/dt Tau and shows numerous prominent conductive anomalies along the horizon. Sulphide Ni mineralisation has been intersected at Airstrip, Maibele North + Maiblele new zone and conductor 10830a.

Hole Number	Easting	Northing	RL	Total	Dip	Azi	Comment
MARC0099	633090	7595876	849	255.00	-60	335	Extension - SQUID TDEM
MARD0107	633820	7595876	851	550.4	-75	335	Extension - SQUID TDEM
MARD0106	632303	7595149	840	376.18	-60	330	Extension - SQUID TDEM
MARD0100	632236	7595388	841	183.05	-55	330	INFILL/MET Hole
MARD0101	632357	7595479	841	140.1	-55	330	INFILL/MET Hole
MARD0102	632458	7595454	843	175.05	-55	330	INFILL/MET Hole
MARD0104	632493	7595541	842	125.10	-55	330	INFILL/MET Hole
MARD0105	632690	7595598	846	203.10	-55	330	INFILL/MET Hole
MARD0103	632286	7595434	845	156.75	-55	330	INFILL/MET Hole
MARD0110	632523	7595490	844	180.06	-55	330	INFILL Hole
MARD0108	632381.00	7595345.00	843	227.1	-55	330	INFILL Hole
MARD0109	632366.9	7595404.6	843	212.05	-55	330	INFILL Hole
MADD0111	632340.3	7595375.5	843	19.23	-55	330	Geotech Hole
MARD0113	633127.50	7595915.70	843	215.1	-60	330	Extension - SQUID TDEM
MARD0112	633081.00	7595890.60	843	244.13	-60	330	Extension - SQUID TDEM
MARD0114	633174	7595946	852	185.02	-60	330	Extension - SQUID TDEM
MARD0115	633036	7595862	848	250.15	-60	330	Extension - SQUID TDEM
MARD0116	632942	7595734	848	248.15	-60	330	Extension
MARD0117	632256	7595347	842	152.2	-60	330	GEOTECH

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MARD0118	632340	7595375	842	53.32	-55	330	GEOTECH

Table 1: Details of holes drilled to 30 June 2015 from the 12,500m Maibele North program. Green cells denote holes still in progress.

Other JV areas of interest:

Regional Exploration - PL54/98 Exploration

During the June quarter, a detailed ground geophysical survey program aimed at providing drill targets at the 4 priority Ni-sulphide prospects at Takane (PL 54/98) was completed. The program included 21 line km of ground SQUID EM and 100 line km of ground magnetic surveying.

Data processing and a report detailing the new SQUID targets as well as priority VTEM targets recommended for drilling are ongoing with the results expected in the September quarter.

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.

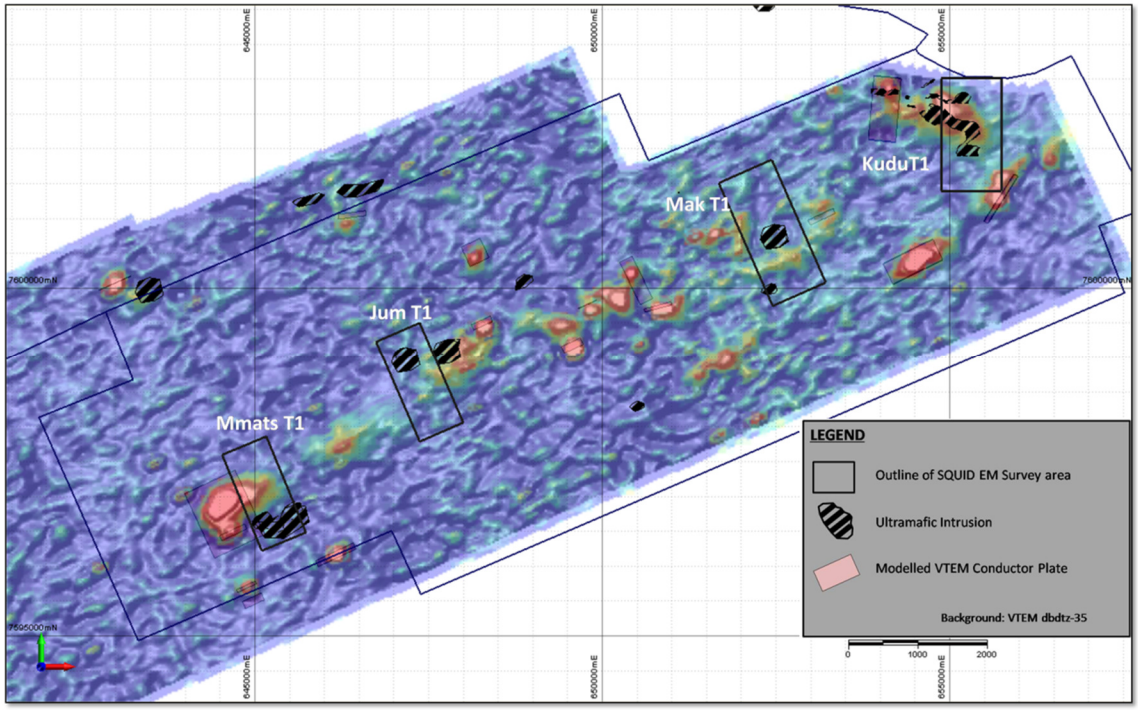


Figure 9: Location of the 4 priority target areas on the regional VTEM image. The outline of the SQUID survey areas are shown (black rectangle) along with ultramafic intrusions and modelled VTEM conductors (faint pink rectangles)

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. An exploration field work program has been designed and will be funded by the proceeds of the recent Share Purchase Plan. The first stage of work will employ the SQUID TDEM system to identify further conductive anomalies at the priority targets on the licence with a view to drilling later in 2015. These prospects lie along strike from the Maibele North orebody (in JV with BCL Limited) that is currently the subject of a 12,500m resource

infill and extension drill program. The SQUID EM technique has been very successfully used to identify additional conductor targets at Maibele North and will be used over prospects with similar geological and geophysical settings on PL59/2008 to fast track the projects to drill ready status.

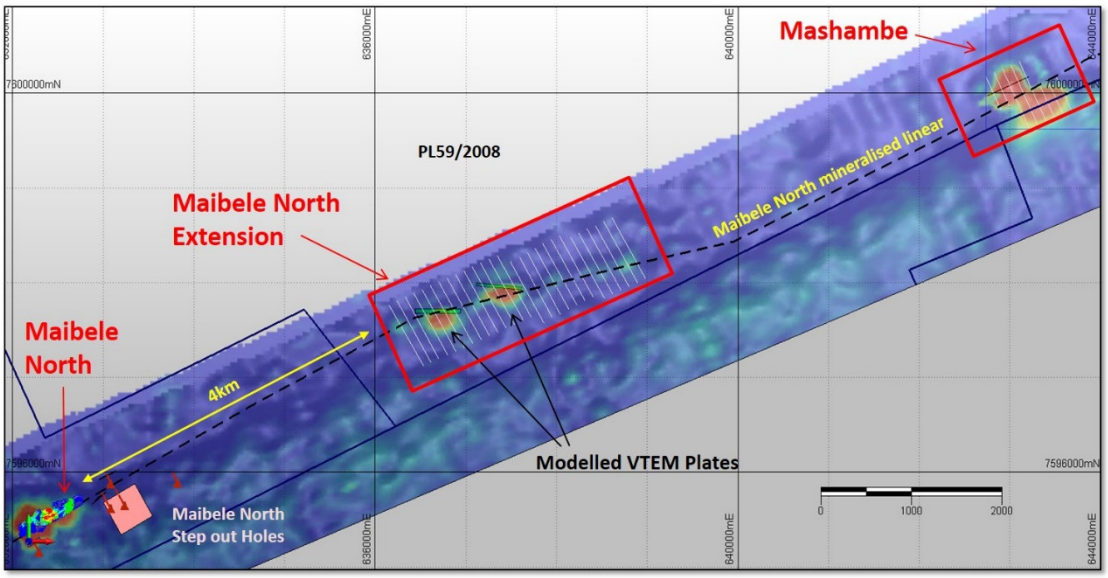


Figure 10: *VTEM image showing the position of the PL59 prospects along strike from Maibele North.*

Prospect Details

PL59/2008 is considered particularly attractive because it contains a number of prospects that lie along strike from Maibele North on a geological horizon that is interpreted to be a preferential host to Ni - Cu mineralisation in the district. The PL contains two priority prospects, Maibele North Extension and Mashambe, which show good indicators of potential Ni + Cu mineralisation similar to that displayed at Maibele North and have been discovered through soil geochemical surveys, geological mapping and airborne VTEM surveys. Strong conductors that are coincident with elevated Ni + Cu soil geochemistry and ultramafic rocktypes are present at both prospects.

The prospects lie along an interpreted geological horizon that contains a number of Ni + Cu occurrences including the Maibele North Resource, with Maibele Extension some 4 km east of Maibele North and Mashambe a further 6km east of Maibele North Extension.

A third target, Mashambe Northeast, lies some 5km along strike from Mashambe and, although it displays similar geological and geophysical features, is a second priority due to less exploration having been undertaken there to date.

Maibele North Extension

- ~4km from Maibele North
- Ultramafic Rocktypes present
- Two modelled VTEM Conductors – 11420a, 11470a
- Favourable Cu and Ni soil geochemical anomalies

Mashambe

- 10km from Maibele North, 6km from Maibele North Extension
- Ultramafic Rocktypes present
- Associated modelled VTEM Conductor – 11870b
- Favourable Cu and Ni soil geochemical anomalies

Mashambe North East

- 15km from Maibele North, 4km from Mashambe
- Ultramafic Rocktypes present
- Associated modelled VTEM Conductor 12100a
- Favourable Cu and Ni soil geochemical anomalies

It should also be noted that highly elevated Zinc soil geochemical anomalies exist at Mashambe and rock chips of up to 0.79g/t Au have been collected at Mashambe Northeast. These, along with any other features of interest will be followed up in the course of the exploration program.

Program Details

The exploration program on PL59 is designed to quickly identify drill targets indicative of Ni-sulphide mineralisation for first-pass RC drill testing. The initial phase of exploration will include detailed SQUID TDEM surveys over previously identified VTEM anomalies at both Maibele North and Mashambe. The SQUID system employs cutting edge, ultra-sensitive electro-magnetic sensors to detect conductors far deeper than conventional EM technology and has been recently used to great effect at the nearby Maibele North deposit. All SQUID conductors drilled at Maibele North to date have shown significant levels of sulphide mineralisation and have confirmed the effectiveness of the SQUID technique in this terrain.

Spectral Geophysics from Gaborone, Botswana, have been commissioned to undertake the surveys in the coming weeks and were the contractors who successfully identified conductors at nearby Maibele North.

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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.

In the March 2015 quarter, the company applied for several new application for a Prospecting Licences with the Department of Mines in Botswana which are pending processing. These are highlighted in light green in the **Figure 2** above.

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 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.

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 actives 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 Mar h 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).

Rule 5.5

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	Quarter ended ("current quarter")
96 122 995 073	30 JUNE 2015

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (12 months) $A'000
1.1	Receipts from product sales and related debtors	3	244
1.2	Payments for (a) exploration & evaluation	(55)	(331)
	(b) development		
	(c) production		
	(d) administration	(93)	(609)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	1	6
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (provide details if material):		
	Net Operating Cash Flows	(144)	(690)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets		(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)		
	Net investing cash flows		
1.13	Total operating and investing cash flows (carried forward)	(144)	(692)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(144)	(692)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	79	82
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)	(10)	(10)
	Net financing cash flows	69	72
	Net increase (decrease) in cash held	(75)	(620)
1.20	Cash at beginning of quarter/year to date	350	895
1.21	Exchange rate adjustments to item 1.20		
1.22	**Cash at end of quarter**	275	275

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	62
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

	$A'000
Director's remuneration	58
Director's consulting fees	4

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

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

+ 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	50
4.2	Development	
4.3	Production	
4.4	Administration	100
	Total	150

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	275	350
5.2	Deposits at call		
5.3	Bank overdraft		
5.4	Other (provide details) - Term deposits with Australian banks		
	Total: cash at end of quarter (item 1.22)	275	350

+ See chapter 19 for defined terms.

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	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	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	**+Convertible debt securities** (*description)*				

+ See chapter 19 for defined terms.

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

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: ..... Date: 30/07/2015
Company secretary

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.

+ See chapter 19 for defined terms.

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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