BOTSWANA Metals Limited

ABN 96 122 995 073

ASX Code: BML

TO: COMPANY ANNOUNCEMENTS OFFICE
ASX LIMITED

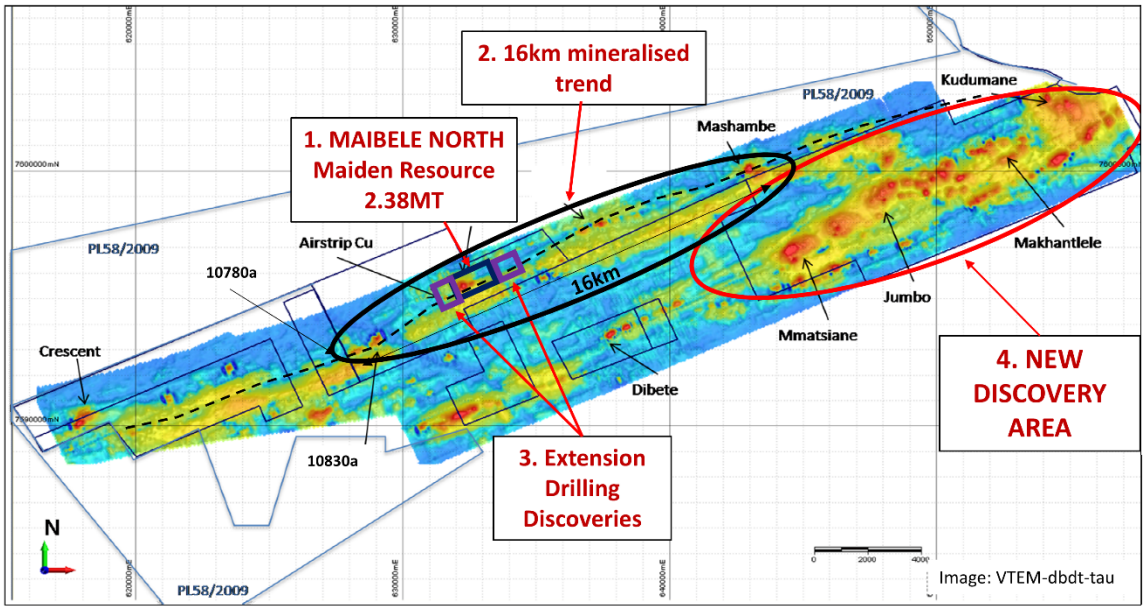
DATE: 29 APRIL 2016

QUARTERLY REPORT TO 31 MARCH 2016

Highlights:

- **All assay results for the 2015 drilling program have been received:**
  - **further significant intersections of Ni-Cu sulphide were confirmed along strike to the east of the Maibele North orebody.**
- **Total strike length of drilled, continuous sulphide mineralisation is approximately 1,375m, open in all directions.**
- **Pre-Feasibility Study and EIA at Maibele North continued:**
  - **study will include a revised Resource Estimate.**
- **New capital of $580,948 raised under rights issue.**

Snapshot – JORC Resource – Additional Resource Potential & New Discovery Areas



1. JORC Resource (775m).
2. 16km long mineralised trend.
3. Extension drilling discovered over 0.5km of continuous mineralisation along strike.
4. New discovery area with over 23 VTEM targets identified.

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

BOTSWANA
Metals Limited
ABN 96 122 995 073

Cash Position:

The cash balance as at 31 March 2016 was $312,000. An Appendix 5B report is attached.

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 / measured by infill drilling and metallurgical drilling.
- Extend the known resource by step out drilling of new SQUID TDEM and DHEM conductor targets.

Action:

- The 2015 Drilling Program was completed during the December quarter with over 12,040m drilled for the year.
    - All outstanding assay results were received during the March quarter.
- Numerous significant sulphide intersections returned both from within, and along strike to the east and west of the orebody.
- Assay results have confirmed high-grade Ni+Cu+Co mineralisation in strong sulphide zones both within, and outside of, the existing resource.
- Strike of mineralisation extended over 480m to the east and over 125m to the west to a total strike length of ~1,375m.
- Independent consultants continued the Resource Estimate, Pre-Feasibility Study and EIA exercises.
- Applications for two-year extensions for the three JV PLs 110/94, 111/94 and 54/98 submitted to Department of Mines in Botswana ("DoM") during December 2015.

2. **PL 54/98 TAKANE:**

TO EXPLORE THE UNTAPPED POTENTIAL FOR SEVERAL NEW DISCOVERIES

Action:

- Trenching designed to enhance targets and facilitate drill hole design continued at the 4 priority prospects.

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

3. **PL 59/2008: 100% OWNED BY BML**

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

Action:

- A review of the drilling program undertaken in 2015 commenced.
- A down-hole EM program was designed to further assess the conductor targets and sulphide zones discovered in exploration work to date.

4. **BML EXPLORATION PORTFOLIO:**

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

- 1,000sq km under licence of which 184sq km under JV with BCL Limited.

Action:

- 3,000sq km of new PL applications were lodged in 2015 and are pending processing by the DoM.

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's 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 31 March 2016:

SUMMARY

PL 110/94: Maibele North JV with BCL Limited

The JV received the final outstanding assay results from the aggressive 2015 resource infill and extension drilling program at Maibele North. The assay results have confirmed high-grade Ni+Cu+Co+PGE mineralisation in strong sulphide zones both within, and outside of, the existing resource.

Details of the program include:

- 12,043m drilled in a total of 54 holes.
- Step out holes intersected significant sulphides outside the existing resource with mineralisation now extending to over 480m to the east and over 125m to the west.
- Total strike length of drilled, continuous mineralisation is approximately 1,375m, open in all directions.
- **New significant sulphide zones have been intersected:**
  - 200m beneath the known ore body.
  - 250m to the east of the known ore body.
  - 480m to the north-east of the known ore body.
  - 125m south west of the known are body.

It should be noted that the new extensions of mineralisation have not been included in the 2015 Inferred Resource and will be considered for the new resource estimate.

PL 54/98: Takane JV with BCL Limited

- A program of trenching at the priority SQUID TDEM targets identified during the June 2015 quarter continued in preparation for drill testing later in 2016.

PL 59/2008: Shashe South

- A three Hole, 775m drill program was completed at Maibele North Extension in October 2015.
  - A review of the drilling program was undertaken and a down-hole EM program was designed to further assess the conductor targets and sulphide zones discovered in exploration work to date.

Corporate:

Cash Position and Capital Raising

- Cash at 31 March 2016 of approximately $312,000.
- New capital of $580,948 raised under rights issue to shareholders.

Exploration Activities for the March 2016 quarter:

Location Map and Schedule of Prospecting Licences held by BML.

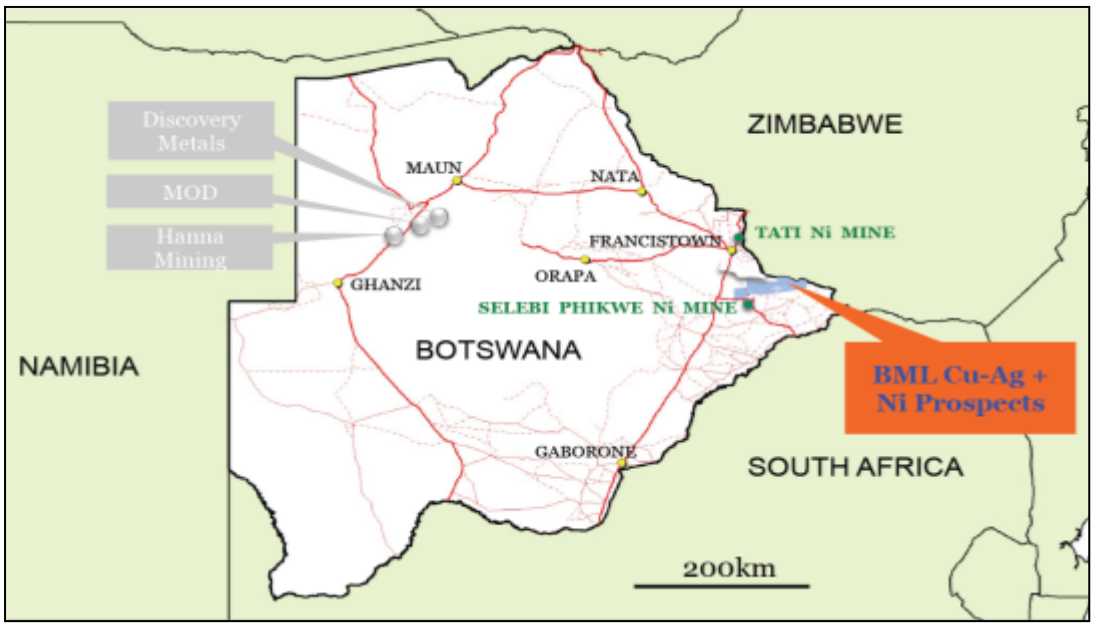


Figure 1: Location of Botswana Metals Limited Exploration portfolio in Botswana.

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	31/03/2016	100	African Metals (Pty) Ltd	J/V with BCL Ltd effective 01/04/14
Mokoswane PL 111/94	31/03/2016	100	African Metals (Pty) Ltd	J/V with BCL Ltd effective 01/04/14
Takane PL 54/98	31/03/2016	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.

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 PLs 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.

At the end of the December quarter, the Company submitted 2-year extension applications for the JV PLs 110/94, 111/94 and 54/98, in accordance with the requirements of the Mining Act in Botswana. No word has yet been received from the DoM on the progress of these applications.

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.

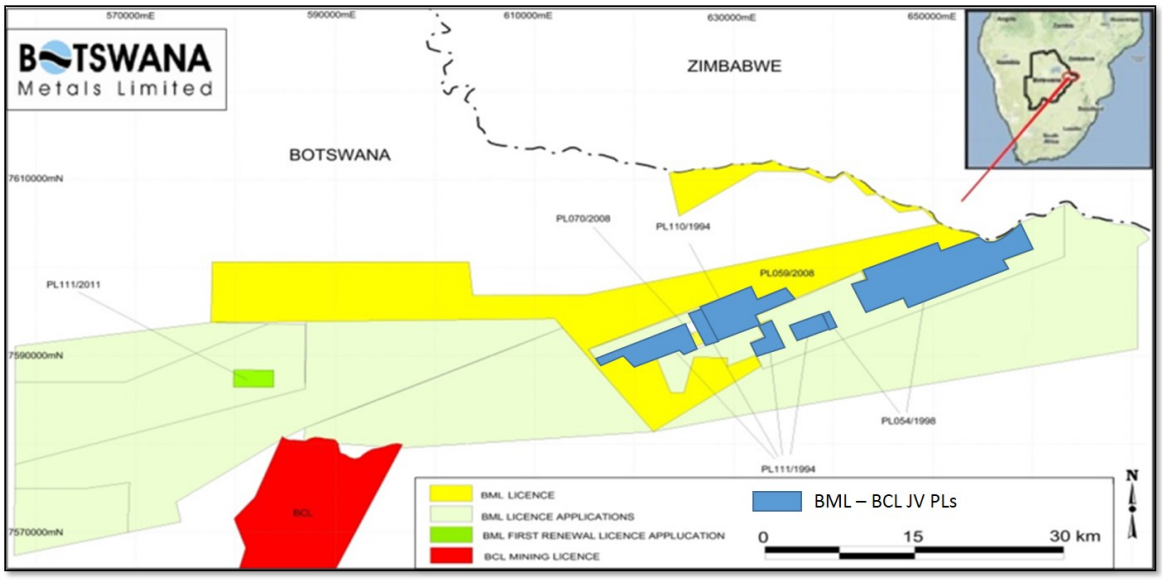


Figure 2: BML exploration tenement portfolio in Botswana. Prospecting Licences subject to the Joint Venture with BCL are shaded light blue.

JOINT VENTURE EXPLORATION ACTIVITIES FOR THE QUARTER

WORK PROGRAM – PL 110/94 - Maibele North

All outstanding results for the extensive 2015 program of Infill, Metallurgical and Extension drilling at the Maibele North deposit were received during the March

quarter. Totalling 12,043m, the program was divided between in-resource drill holes and extension holes targeting the number of significant conductor targets along strike and adjacent to the main orebody (Figure 3, Table 1).

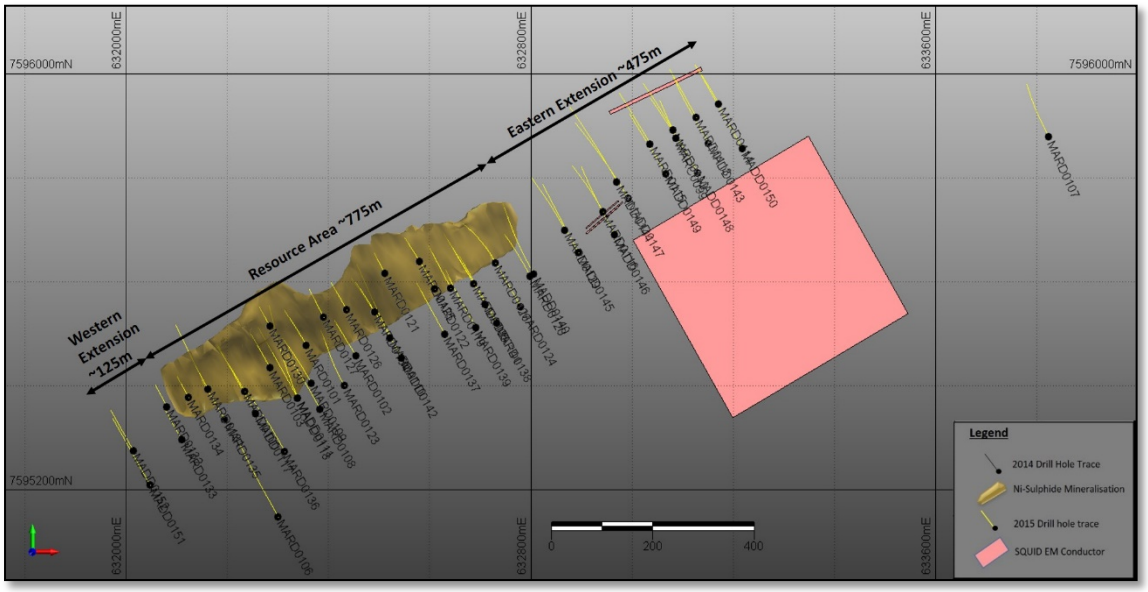


Figure 3: Shows the Maibele North orebody and in yellow the 54 holes completed in the 2015 program. The pink shapes represent modelled SQUID conductors. The figure outlines the extents of mineralisation intersected along strike to the east and west. These new discoveries bring the total strike of drilled mineralisation to approximately 1375m.

The focus of the program was to both upgrade and grow the JORC-compliant Inferred resource that was announced to the market during 2015. This 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

The 2015 drilling saw numerous broad zones of sulphide mineralisation intersected within the Maibele North orebody as well as significant massive and disseminated sulphide zones along strike to the east and west. The continuing good results are extremely encouraging and demonstrate the size and potential of the mineralised system at Maibele North. The strong commitment of the Joint Venture partners, BCL Limited, to progressing Maibele North shows the importance of this resource to potentially add additional tonnes for processing at the nearby Selebi Phikwe plant and smelter. The results have so far highlighted the potential to upgrade the resource to an

Indicated or Measured status and also the great potential to increase the resource size with additional sulphide zones discovered along strike and at depth.
Highlights of the assay results received during the March 2016 Quarter include:

MARD0122:

- ***4.0m @ 1.80% Ni, 0.59% Cu, 882 ppm Co, 0.08g/t Au, 1.51g/t 4PGEs from 134.23m.***
  Including:
  - ***1.59m @ 2.17% Ni, 0.74% Cu, 1,054ppm Co, 0.06g/t Au, 2.07g/t 4PGEs from 134.23m.***
  - ***1.23m @ 2.21% Ni, 0.4% Cu, 1,040ppm Co, 0.04g/t Au, 1.64g/t 4PGEs from 137m.***

MARD0129:

- ***2.18m @ 1.55% Ni, 1.28% Cu, 917 ppm Co from 200.27m.***
  Including:
  - ***1.03m @ 2.17% Ni, 2.22% Cu, 1,300ppm Co from 200.27m.***
  - ***0.40m @ 1.7% Ni, 0.38% Cu, 900ppm Co from 202.05m.***
    (note: Assays performed at BCL Limited in-house laboratory - Au and PGEs not assayed for)

MARD0127:

- ***0.59m @ 2.35% Ni, 0.56% Cu, 1130 ppm Co, 0.12g/t Au, 1.05g/t 4PGEs from 73.46m.***

MARC0099:

- ***1.0m @ 2.27% Ni, 2.02% Cu from 240m.***
  (Note: Assays performed at BCL Limited in-house laboratory - Co, Au and PGEs not assayed for. MARC0099 is a RC hole)

MARD0146:

- ***0.14m @ 2.13% Ni, 0.15% Cu from 252.58m.***
- ***0.72m @ 1.17% Ni, 0.54% Cu from 254.80m.***
  (Note: Assays performed at BCL Limited in-house laboratory - Co, Au and PGEs not assayed for)

MADD0147:

- ***0.5m @ 1.79% Ni, 0.24% Cu, 3200 ppm Co, from 189.10m.***
  (note: Assays performed at BCL Limited in-house laboratory - Au and PGEs not assayed for)

MARD0151:

- ***1.0m @ 0.67% Ni, 0.40% Cu, 100 ppm Co from 200m.***
  (note: Assays performed at BCL Limited in-house laboratory - Au and PGEs not assayed for)

All widths are down hole thicknesses. A full compilation of significant intersections is included in Table 1 below. Samples assayed at BCL's in-house facilities were analysed mostly at the laboratory at the Selebi Phikwe Ni-Cu mine, with checks undertaken at the company's Phoenix Laboratory at the Tati Ni Mine. The Phoenix laboratory at Tati-Ni is SANAS accredited to the ISO 17025 international standard. The laboratory at the Selebi Phiwke Ni-Cu mine is currently un-certified. Identical QAQC protocols were appled to samples for all three laboratories and QAQC results were deemed to be acceptable for all sample batches.

Table 1: All Significant sulphide intersections from the assay results received during the March quarter.

Hole ID	From (m)	Thick (m)	Ni%	Cu%	Co ppm	Au g/t	Pt g/t	Pd g/t	Rh g/t	Ru g/t	Comment
MADD0117*	92	0.65	0.31	0.07	n/a	n/a	n/a	n/a	n/a	n/a	
and	188.8	1	0.33	0.07	n/a	n/a	n/a	n/a	n/a	n/a	
MARD0100*	126	1	0.35	0.04	n/a	n/a	n/a	n/a	n/a	n/a	
and	130	1	0.34	0.06	n/a	n/a	n/a	n/a	n/a	n/a	
MARD0119	137	1	0.39	0.29	263	0.03	0.07	0.19	0	0.07	
and	140.52	1.24	0.47	0.69	352	0.07	0.02	0.32	0.08	0.1	
and	146.1	1.9	0.99	0.27	589	0.03	0.03	0.38	0.1	0.18	
incl	**147**	**1**	**1.42**	**0.34**	**874**	**0.03**	**0.03**	**0.56**	**0.14**	**0.25**	
and	151.5	0.35	0.73	0.05	367	0.02	0.02	0.04	0.06	0.12	
MARD0121*	NSR										
MARD0122	**127.55**	**0.35**	**1.85**	**0.1**	**880**	**0.03**	**0.07**	**0.59**	**0.24**	**0.72**	RESOURCE INFILL HOLES
and	**134.23**	**4**	**1.8**	**0.59**	**882**	**0.08**	**0.07**	**0.8**	**0.18**	**0.46**	
incl	**134.23**	**1.59**	**2.17**	**0.74**	**1054**	**0.06**	**0.05**	**1.02**	**0.27**	**0.73**	
incl	**137**	**1.23**	**2.21**	**0.4**	**1040**	**0.04**	**0.03**	**0.83**	**0.14**	**0.33**	
and	139.88	1.12	0.33	0.08	208	0	0.03	0.12	0.02	0.04	
MARD0123*	NSR										
MARD0125*	NSR										
MARD0126	**74**	**0.65**	**1.22**	**0.48**	**594**	**0.09**	**0.05**	**0.48**	**0.11**	**0.29**	
MARD0127	**73.46**	**0.59**	**2.35**	**0.56**	**1130**	**0.12**	**0.04**	**0.81**	**0.2**	**0.59**	
MARD0128	162	1	0.35	0.06	242	0	0.04	0.19	0.07	0.22	
	174.72	**0.32**	**1.84**	**0.16**	**541**	**0.19**	**0.33**	**0.89**	**0.24**	**0.58**	
MARD0130	66.42	0.9	0.66	0.25	360	0.01	0.03	0.25	0.04	0.03	
MARD0131	NSR										
MARD0132	67.3	1.7	0.52	0.06	362	0.02	0.04	0.15	0.03	0.04	

Hole ID	From (m)	Thick (m)	Ni%	Cu%	Co ppm	Au g/t	Pt g/t	Pd g/t	Rh g/t	Ru g/t	Comment
and	76	2.1	0.38	0.09	222	0.04	0.06	0.22	0.02	0.01	
MARD0134*	NSR										
MARD0135	NSR										
MARD0136	NSR										
MARD0138*	228	1	0.4	0.02	300	n/a	n/a	n/a	n/a	n/a	
MADD0140*	NSR										RESOURCE EXTENSION HOLES
MADD0143*	219.74	0.46	0.37	0.2	n/a	n/a	n/a	n/a	n/a	n/a	
and	225	0.52	0.3	0.08	n/a	n/a	n/a	n/a	n/a	n/a	
MADD0145*	256	2	0.74	0.1	n/a	n/a	n/a	n/a	n/a	n/a	
MADD0146*	251.15	4.37	0.38	0.12	n/a	n/a	n/a	n/a	n/a	n/a	
incl	**252.58**	**0.14**	**2.13**	**0.15**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	
incl	**254.8**	**0.72**	**1.17**	**0.54**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	
MADD0148*	279	2	0.66	0.87	n/a	n/a	n/a	n/a	n/a	n/a	
incl	**279.82**	**0.28**	**1.06**	**0.47**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	
MARC0099*	**240**	**1**	**2.27**	**2.02**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	
and	245	1	0.76	0.18	n/a	n/a	n/a	n/a	n/a	n/a	
MARD0115	NSR										
MARD0116	206.59	0.35	2.06	0.41	914	0.14	0.05	0.99	0.15	0.2	
MARD0129*	**200.27**	**2.18**	**1.55**	**1.28**	**917**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	
incl	**200.27**	**1.03**	**2.17**	**2.22**	**1300**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	
incl	**202.05**	**0.4**	**1.7**	**0.38**	**900**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	
MADD0147	**189.10**	**0.50**	**1.79**	**0.24**	**3200**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	
MADD0149	NSR										
MADD0150	279	1.0	0.2	0.14	100	n/a	n/a	n/a	n/a	n/a	
MADD0151	**200**	**1.0**	**0.67**	**0.40**	**100**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	
MADD0152	131	1.0	0.21	0.15	100	n/a	n/a	n/a	n/a	n/a	
and	140.35	0.42	0.26	0.12	100	n/a	n/a	n/a	n/a	n/a	

NSR = No Significant Result

** Holes marked by an asterisk were analysed at BCL Limited's in-house mining laboratory at the Selebi Phikwe Ni-Cu mine, with checks undertaken at the company's Phoenix Laboratory at the Tati Ni Mine. All other holes were assayed by SGS South Africa. Identical QAQC protocols and sample handling/preparation techniques were employed across all holes. QAQC analysis for all samples from each laboratory was deemed to be within acceptable limits. The BCL Limited laboratory at Tati-Ni is SANAS accredited to the ISO 17025 international standard. The in-house laboratory at the Selebi Phiwke Ni-Cu mine is currently un-certified.*

Discussion

The Board of Botswana Metals remains highly encouraged by the continuing good results from the Maibele North Project. The assay results continued to return

encouraging Ni, Cu, Co, Au and 4PGE (Pt, Pd, Rh, Ru) from sulphide zones both within the existing resource and along strike for over 480m to the east of the current resource. All holes from the 2015 drilling program and will facilitate the completion of the ongoing Pre-feasibility study currently in preparation by Worley Parsons.

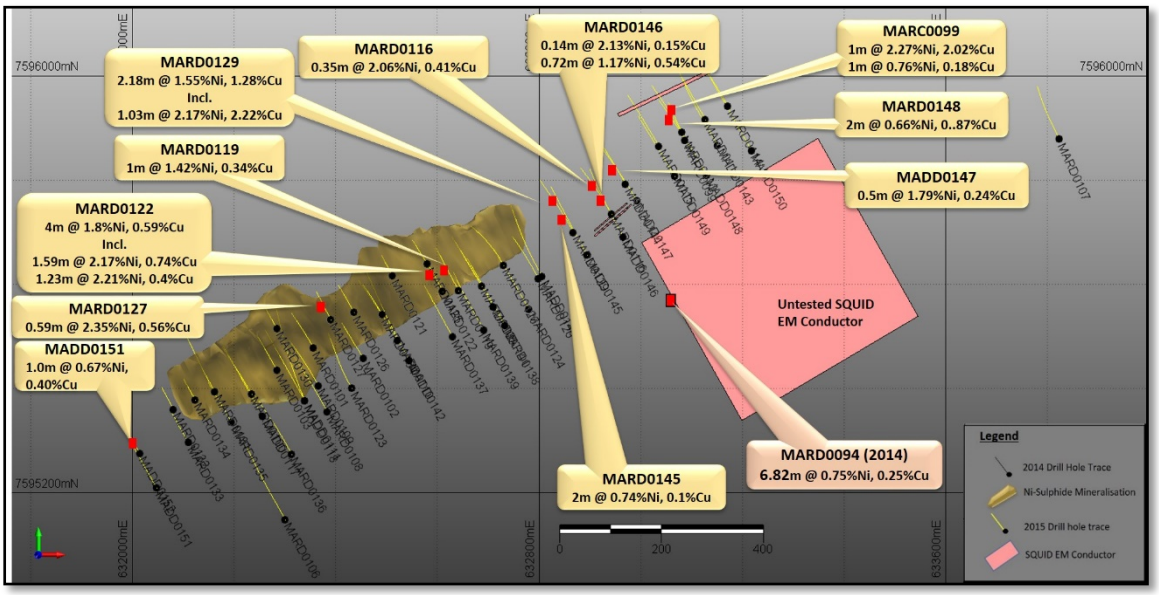
Extension Drilling

The drilling of SQUID EM conductors along strike to the east of the resource has returned laterally continuos mineralisation for over 480m. Drilling of this extension is in the early stage but the series of 80m spaced fences of holes have intersected sulphide mineralisation that remains open at depth and along strike. This exciting new zone of mineralisation has the potential to add significant tonnes to the Maibele North resource. Further deep potential exists at Maibele North, with the mineralisation open at depth across the entire deposit to date.

Of particular encouragement is the intersection in 2014 drill hole MARD0094, where nearly 7m of Ni sulpide mineralisation was intersected some 200m below, and potentially down-dip, of the recently discovered extension zone (Figures 4 and 5).

Infill Drilling

The infill drilling has confirmed the extent of the existing mineralisation and, where signifcant sulphide zones have been encountered, metal contents of a similar tenor to that revealed by the 2014 drilling have been encountered. The density of drilling data will enable an upgraded resource status and form an integral component of the ongoing Pre-feasibility studies.



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

Figure 4: Plan view of the 2015 drill hole traces (yellow) showing the highlight intersections from the assay results received in March quarter. Pink shapes represent SQUID EM conductor plates.

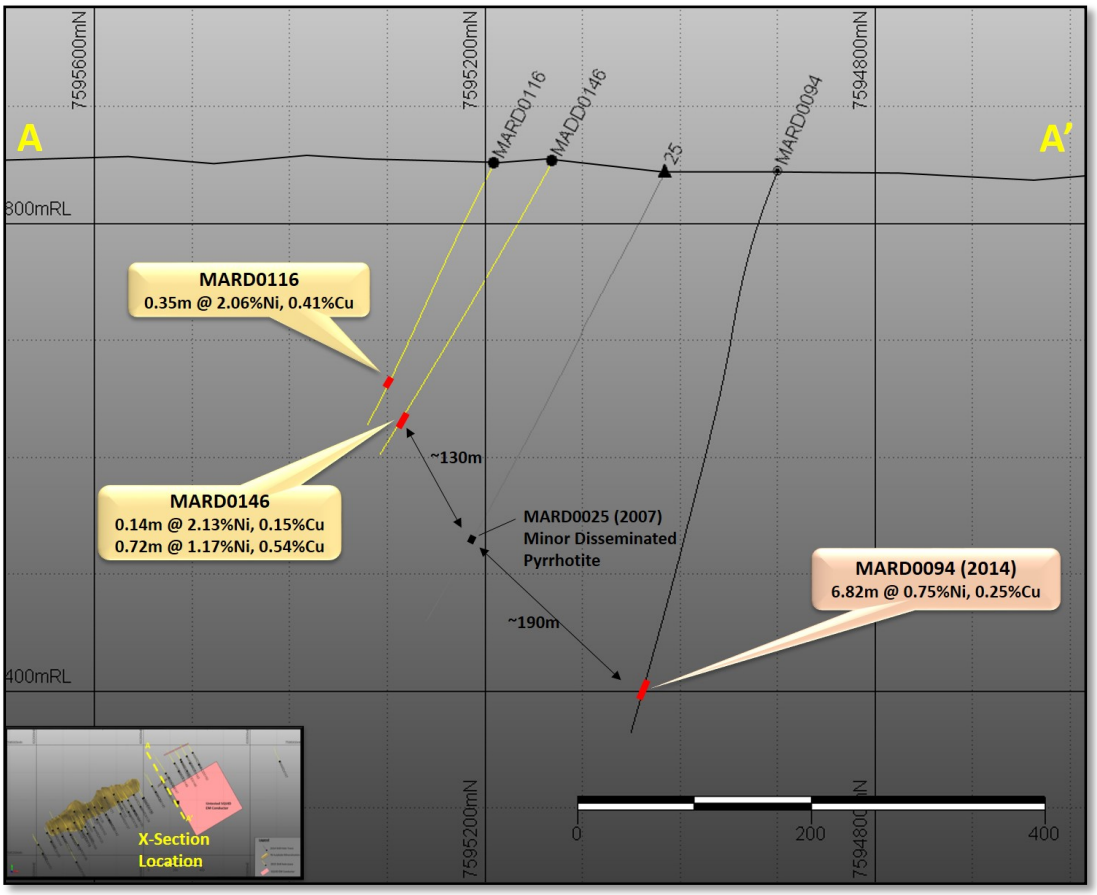


Figure 5: Cross section through holes MARD0116, 0146, 0025 and 0094. The section is located approximately 180m northeast of the current resource and shows the relationaship between recently discovered massive and semi-massive sulphide mineralisation hole MARD0116 and MADD0146. Hole MARD0094 was drilled in 2014 and possibly marks the extension of this mineralisation, some 320m down dip and ~225m vertically below the recently discovered sulphide zone. Historic hole, MADD0025, intersected minor pyrrhotite disseminations approximatley 130m down dip of MADD0146.

Feasibility Study

During the September 2015 Quarter the Joint Venture partners appointed Worley Parsons RSA (Pty) Ltd to perform a Pre-Feasibility Study on the Maibele North Project. AquaLogic was also appointed to carry out an Environmental Impact Assessment ("EIA") at the project. The Pre-Feasibility study ("PFS"), which also includes a new resource estimate, is examining all possible mining scenarios for Maibele North, including open cut and underground options. Successful outcomes from the PFS will

facilitate the commencement of a Bankable Feasibility in preparation for a mining licence application.

The Botswana Metals Board is extremely pleased with BCL's commitment to Feasibility Studies at Maibele North. The successful 2015 drilling will allow the reclassifying of the known resource from a JORC inferred status to a JORC indicated or measured status to facilitate the Study. Feasibility and EIA studies are necessary requirements in the application for a mining licence with the Department of Mines in Botswana.

Table 2: Details of holes drilled to 31 December 2015 from the Maibele North Prospect.

Hole ID	East (UTM)	North (UTM)	Dip	AZI	Depth (m)	RL
MARC0099	633088	7595875	-60	335	255.00	849
MARD0107	633823	7595878	-75	335	550.40	851
MARD0106	632301	7595148	-60	330	376.18	840
MARD0100	632235	7595389	-55	330	183.05	841
MARD0101	632357	7595477	-55	330	140.10	849
MARD0102	632455	7595457	-55	330	175.05	843
MARD0104	632492	7595541	-55	330	125.10	842
MARD0105	632688	7595596	-55	330	203.10	846
MARD0103	632285	7595434	-55	330	156.75	845
MARD0110	632523	7595492	-55	330	180.06	844
MARD0126	632436	7595546	-55	330	110.00	845
MARD0127	632391	7595532	-55	330	110.15	839
MARD0123	632432	7595400	-55	330	242.30	846
MARD0130	632285	7595515	-55	330	80.20	850
MARD0108	632384	7595354	-55	330	227.1	843
MARD0136	632314	7595274	-55	330	275.60	840
MARD0109	632367	7595405	-55	330	212.05	846
MARD0132	632082	7595359	-55	330	95.15	846
MARD0133	632111	7595296	-55	330	140.15	847
MARD0134	632124	7595378	-55	330	92.20	845
MARD0131	632163	7595393	-55	330	124.2	844
MARD0137	632630	7595499	-55	330	220.00	844
MARD0122	632611	7595586	-55	330	150.06	849
MARD0119	632642	7595588	-55	330	170.10	845
MARD0128	632731	7595636	-55	330	200.20	851
MARD0135	632196	7595334	-55	330	170.20	844
MARD0139	632692	7595511	-55	330	246.00	847

Hole ID	East (UTM)	North (UTM)	Dip	AZI	Depth (m)	RL
MARD0124	632781	7595551	-60	330	300.90	849
MARD0121	632512	7595615	-55	330	85.20	849
MARD0125	632581	7595638	-55	330	100.00	851
MARD0120	632800	7595610	-60	330	260.00	850
MARD0138	632734	7595520	-55	330	263.25	851
MADD0117	632258	7595346	-55	330	229.56	842
MADD0111	632340	7595376	-55	330	19.23	847
MADD0118	632340	7595376	-55	330	260.12	847
MADD0142	632546	7595453	-55	330	240	845
MADD0141	632711	7595556	-55	330	270	850
MARD0113	633128	7595916	-60	330	215.10	859
MARD0112	633081	7595891	-60	330	244.13	850
MARD0115	633036	7595864	-60	330	250.15	848
MARD0114	633172	7595941	-60	330	185.02	852
MARD0116	632943	7595734	-60	330	248.15	851
MARD0129	632868	7595699	-55	330	245.60	853
MADD0140	632807	7595614	-55	330	250	853
MADD0144	632971	7595791	-55	330	296	853
MADD0143	633152	7595866	-55	330	250	853
MADD0145	632894	7595656	-55	330	280	854
MADD0146	632966	7595689	-55	330	292	853
MADD0147	632992	7595757	-55	330	323.3	850
MADD0148	633132	7595810	-55	330	302.35	849
MADD0149	633067	7595807	-55	330	253	856
MADD0150	633218	7595856	-55	330	320	857
MADD0151	632048	7595209	-55	330	260.3	846
MADD0152	632015	7595275	-55	330	158.3	846

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.

PL 59/2008 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.

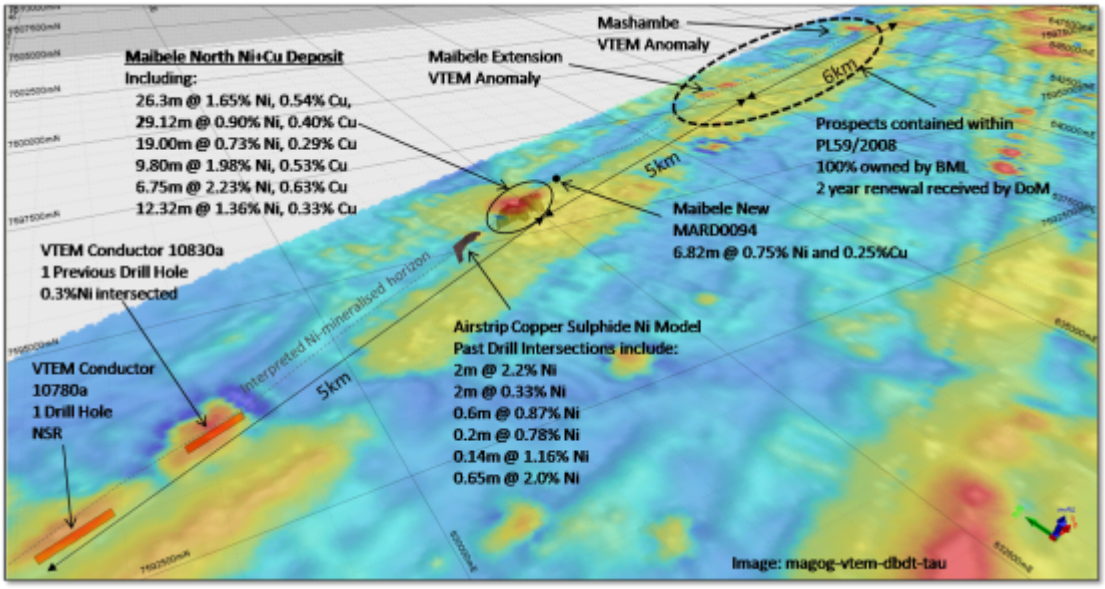


Figure 6: Regional perspective view from above, looking northeast, of the linear horizon along which the Maibele North-Aistrip mineralised trend lies. Background image is VTEM db/dt Tau and shows numerous prominent conductive anomalies along the horizon. Sulphide Ni mineralisation has been intersected at Airstrip, Maibele North + Maiblele new zone and conductor 10830a.

Other JV areas of interest:

Regional Exploration – PL 54/98 Exploration

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 1,000 sq km of highly prospective terrain.

Ground work, including exploration trenches, continued on the 4 priority Ni-sulphide prospects previously identified at Takane (PL 54/98) via geological review and ground geophysical surveys. The aim is to gather information to help design drill holes to test the potential at these exciting targets during the 2016 field season.

The Takane area is approximately 10km from the Maibele North Prospect. The JV partners are highly encouraged by the recent exploration work on the tenement and believe good potential exists for further discovery of significant base and precious metal deposits on PL 54/98.

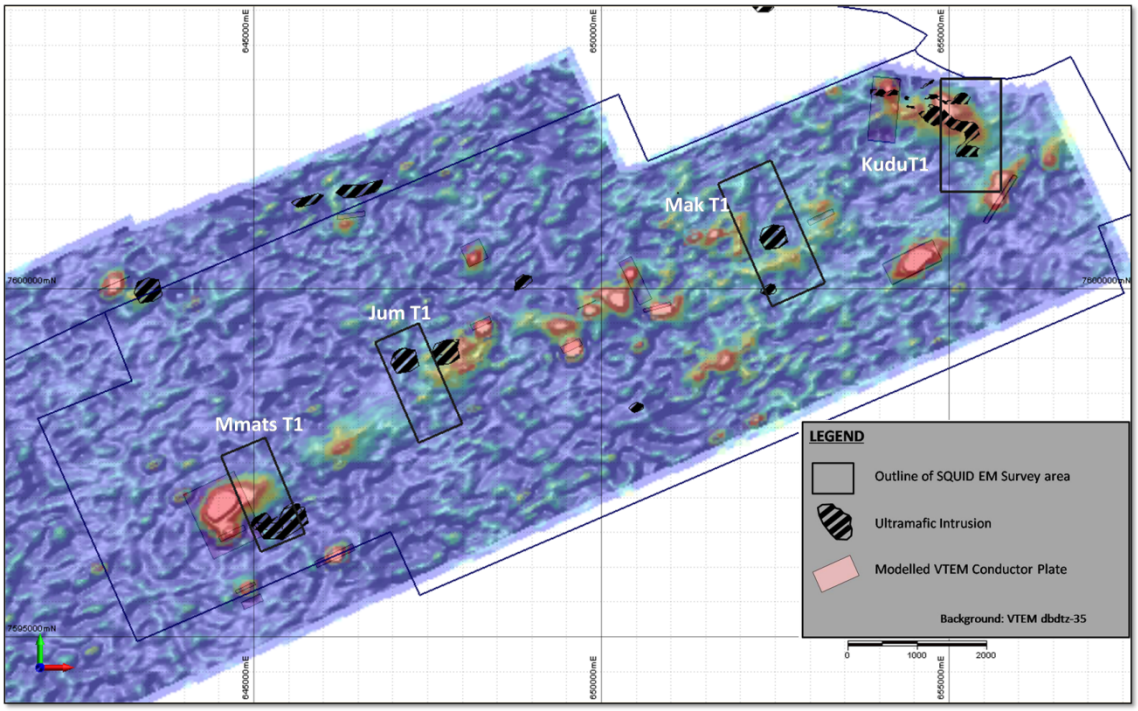


Figure 7: Location of the 4 priority target areas on the regional VTEM image. The outline of the SQUID survey areas are shown (black rectangle) along with ultramafic intrusions and modelled VTEM conductors (faint pink rectangles).

Exploration Activities outside the JV PLs during the Quarter

Activities outside the Prospecting Licences not covered by the JV with BCL included the review of the drilling program testing SQUID TDEM anomalies at 3 prospects along strike from Maibele North on BML's 100% owned PL 59/2008 during December 2015.

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

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

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

A SQUID TDEM program was undertaken over 3 prospects on PL 59 that are interpreted to lie directly along strike from Maibele North during the September 2015 Quarter. The surveys detected significant conductors at all three prospects.

During the December 2015 Quarter, a 3 hole, 775m exploratory RC drill program designed to test a number of the prominent EM Conductors identified by the SQUID EM surveys was completed. Significant disseminated sulphide zones reminiscent of the host sulphide mineralisation from the nearby Maibele North JV project were intersected in 2 out of the 3 holes.

Disseminated sulphides such as those observed at Maibele North Extension are often located peripheral to semi-massive or massive sulphides at the nearby Maibele North orebody. A program of Down Hole EM surveys for each of the 3 drill holes has been proposed and will be undertaken during the 2016 field season. This program will clarify the nature of the SQUID conductors previously identified and determine whether the disseminated zones intersected are potentially related to further zones of significant sulphides. This technique was used at Maibele North in an old hole, MADD0025, and showed strong conductors both above and below the hole, despite the lack of any significant mineralisation in MADD0025. Subsequent drilling in 2014 and 2015 has intersected strong Ni-Cu mineralisation both above and below the unmineralised MADD0025 (Figure 5 above).

The Board of Botswana Metals is extremely excited by the discovery of sulphide mineralisation so far along strike from Maibele North. The drill program has demonstrated the great mineral potential of the region and supports BML's exploration strategy of securing a majority landholding over the Limpopo Mobile Belt in Botswana.

Furthermore, the Board is highly encouraged by the continuing high success rate of the SQUID EM technique in identifying sulphide mineralisation in the region. These holes are the first regional test of SQUID EM conductors and provide confidence for testing of the additional strong conductors evident at a further 6 high priority targets on both 100% owned BML ground and JV ground with BCL. All of the high priority targets contain conductors associated with ultramafic rock types and encouraging geochemical anomalies and remain to be tested.

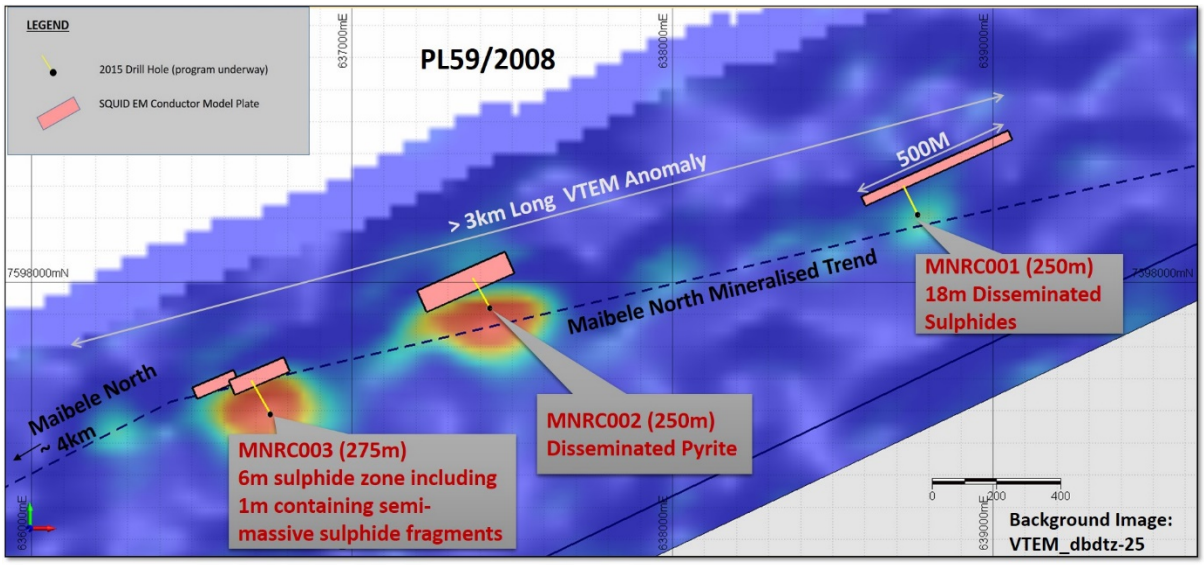


Figure 8: Location of the PL 59/2008 drill holes at Maibele North Extension showing the >3km long VTEM anomaly (light blue to red colours on background image) and recently detected SQUID EM conductors (Pink Rectangles). The current holes are marked as MNRC001, 002, 003. Background = regional VTEM image.

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 Prospecting Licences with the Department of Mines in Botswana which are pending processing. These are highlighted in light green in the **Figure 2** above.

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.

BOTSWANA
Metals Limited
ABN 96 122 995 073

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	31 MARCH 2016

Consolidated statement of cash flows

		Current quarter $A'000	Year to date (9 months) $A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation	(42)	(340)
	(b) development		
	(c) production		
	(d) administration	(383)	(668)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received		3
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	(425)	(1,005)
	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		(2)
1.13	Total operating and investing cash flows (carried forward)	(425)	(1,007)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(425)	(1,007)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	581	1,087
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)	(28)	(45)
	Net financing cash flows	553	1,042
	Net increase (decrease) in cash held	128	35
1.20	Cash at beginning of quarter/year to date	184	277
1.21	Exchange rate adjustments to item 1.20		
1.22	**Cash at end of quarter**	312	312

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	333
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	5
Service fees paid to a company controlled by relatives of a Director	29
Part payment Director's accrued and unpaid remuneration FY14 and FY15	241

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	150
	Total	200

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	312	184
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)	312	184

+ 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**	940,495,874	940,495,874		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	290,473,741	290,473,741		
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: 29/04/2016
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.

== == == == ==