BOTSWANA Metals Limited

ABN 96 122 995 073

ASX Code: BML

TO: **COMPANY ANNOUNCEMENTS OFFICE**
ASX LIMITED

DATE: **13 OCTOBER 2016**

UPDATE REGARDING BCL LIMITED

The Company refers to its trading halt request released on 11 October 2016 and reports that BCL Limited ("BCL") has advised that it has been placed in provisional liquidation.

As a result, the BML Board comments as follows:

1. On 27 June 2016 the Company announced that, subject to formal documentation, BCL could earn a 40% interest in PL 110/94, PL 111/94 and PL 54/98 ("the three PLs").

2. At this stage no formal advice has been received from BCL regarding the earning of an interest in the three PLs.

3. Under the Farm-in Joint Venture Agreement if a party becomes insolvent (including being placed in provisional liquidation) then:

   (a) during the earning period (until a party has formally earned its interest) the solvent party may terminate the farm-in by notice to the insolvent party;

   (b) if a participant has earned its interest then:

      (i) the solvent party may compulsorily acquire the interest of the insolvent party at an agreed price or, if a price cannot be agreed, at a price recommended by a qualified person as the fair market value of the interest; or

      (ii) if there is no acquisition of the insolvent party's interest, the joint venture can be terminated and the assets are to be realised and the net proceeds, after paying any liabilities of the joint venture, are to be distributed to the participants in proportion to their interests.

The market will be kept informed as more information is at hand and discussions materialise.

The Company will continue with its current Lithium and Tantalum exploration program still in progress (mapping and soil sampling).

Pat Volpe
Chairman

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