ASX ANNOUNCEMENT

2 SEPTEMBER 2017

DRILLING UNDER WAY AT DIBETE AND AIRSTRIP COPPER

The Board of Botswana Metals Limited is pleased to announce that BML has commenced a 1500m Reverse Circulation (RC) drill program targeting high-grade copper and silver mineralisation at the Dibete (1000m of RC drilling) and Airstrip Copper (500m of RC drilling) projects in North-eastern Botswana. Dibete is approximately 7km south of the Maibele Nickel discovery and Airstrip Copper is less than 1 km to the west of Maibele.

Site and access track clearing is currently underway, with a drill rig due to arrive on site in the coming week.

The program will be funded from the recent successful capital raising (ASX Announcement 13 August 2017). Results are expected in the December quarter and the Company intends to provide progress updates where material.

The areas form part of the 3 Prospecting Licences under Joint venture with BCL Limited but since the JV agreement was signed in 2013, BCL was focused on the Nickel opportunities of the PL's under JV.

The two copper discoveries were made by BML in 2011 and no exploration work has been conducted at either project since.

The new program will revisit the discoveries with a view of substantiating or otherwise a larger program going forward.

Previous IP sections at Dibete are shown below (Figure 5). To date, only two of the IP anomalies on lines 6100N and 6400N have been drill tested.

ASX:BML

ABN:
96 122 995 073

Issued Capital:
1,824,315,814 ordinary shares

Directors:
Mr Patrick Volpe (Chairman)
Mr Steve Groves (Director/Geologist)
Mr Josh Letcher (Non-executive)
Mr Ed Bulseco (Non-executive)

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About Botswana Metals

Botswana Metals is exploring for nickel, copper, cobalt, tantalum and lithium within its ~1,500 square kilometre exploration portfolio. These "new world" metals are becoming increasingly important as the world switches to cleaner sources of energy.

The company announced a maiden JORC Inferred Resource of 2.38Mt on 28th April 2015 from drilling within a small 185 square kilometre section of its exploration portfolio in which it had entered a joint venture with BCL. At the time cobalt was not included in the resource calculation.

Historical drilling outside of the joint venture ground has intercepted further nickel as well as significant intercepts of copper and cobalt.

A soil sampling program detected traces of lithium and tantalum which warrant further exploration.

Large tracts of BML's exploration portfolio remain unexplored.

COPPER MARKET OUTLOOK

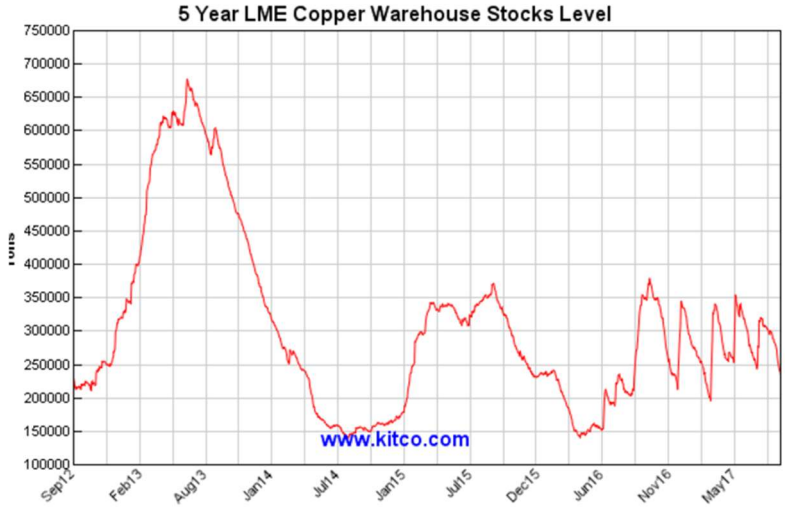
A recent resurgence in the copper price has been largely driven by strong fundamentals including growing Chinese demand and a broad recovery in downstream construction and manufacturing industries including power, construction, machinery and white goods.

In addition to improving economic conditions, copper demand is expected to be substantially impacted by the growing electric vehicle market.



Source: Kitco

Copper stockpile levels are near 5-year lows as current mining operations are becoming exhausted, and in turn adding to the supply deficit and growing price pressure.



Source: Kitco

Battery Materials Price Forecasts Summary

	2017	2018	2019	2020	2021	2022	2023	2024	2025
Cobalt (US$/lb; 99.8% Co metal)	25.00	30.82	31.35	33.05	33.52	33.83	35.01	35.20	35.42
Copper (US$/lb)	2.66	2.74	2.85	3.00	3.25	3.50	3.00	3.00	3.00
Nickel (US$/lb)	4.73	5.00	6.50	8.00	8.00	8.00	8.00	8.00	8.00
Lithium carbonate (US$/t; min 99% Li)	12,000	11,468	11,202	10,052	10,044	9,754	10,475	11,012	11,122
Spodumene (US$/t; min 6% Li2O)	904	815	788	681	680	654	720	771	749

Source: Canaccord Genuity Estimates

BML is strategically positioned to explore for New World metals including cobalt, lithium, nickel, tantalum and copper, which are becoming increasingly important as the World looks to potentially switches to cleaner sources of energy.

DRILL PROGRAM

The 1500m RC drilling program has been designed to test new mineralisation models at both the Dibete and Airstrip Copper – Silver projects. Approximately 1000m at Dibete and 500m at Airstrip will be completed. The program will comprise twin, scissor and close-spaced infill drilling to replicate a number previous intersections and to test gaps and extensions to the current mineralisation models.

Both projects have historically returned numerous shallow, very high grade copper and silver intersections in both supergene and primary mineralisation styles. No drilling has been undertaken on either project since 2011 but a new interpretation of the possible source of mineralisation is postulated following recent project and regional geological reviews (see Target Mineralisation Style below).

The new information generated by the drilling will provide a framework for further geological interpretation that will guide future regional and deeper exploration programs.

TARGET MINERALISATION STYLE

The high-grade copper and silver mineralisation at Airstrip and Dibete appear to be very similar in style and geology to the historically significant Messina Copper Deposits located approximately 230km to the south-east in South Africa. The Messina Copper district contains multiple high-grade copper deposits comprising breccia pipes, disseminated replacement and fissure deposits centred on NW-NE structural intersections within high-grade metamorphic rocks of the Limpopo Mobile Belt similar to those seen in the Magogophate Shear Zone. The Messina deposits were discovered initially by the recognition of narrow, high-grade copper veins close to surface, with the larger orebodies extending to over 1,400m depth spaced over a 15km strike zone. The area was mined from 1903 to 1993 and historical records estimate up to 42 million tons* of ore at a grade of approximately 1.75% to 2% Cu* were extracted at Messina. Similarities between Messina and Dibete/Airstrip, including the presence of narrow, extremely high-grade copper veins, spatial association of Karoo-aged dolerite dykes and mineralisation located on NW-NE structural and geological trends all suggest that this style of mineralisation is a valid and exciting new target type for the Magogophate Shear Zone.

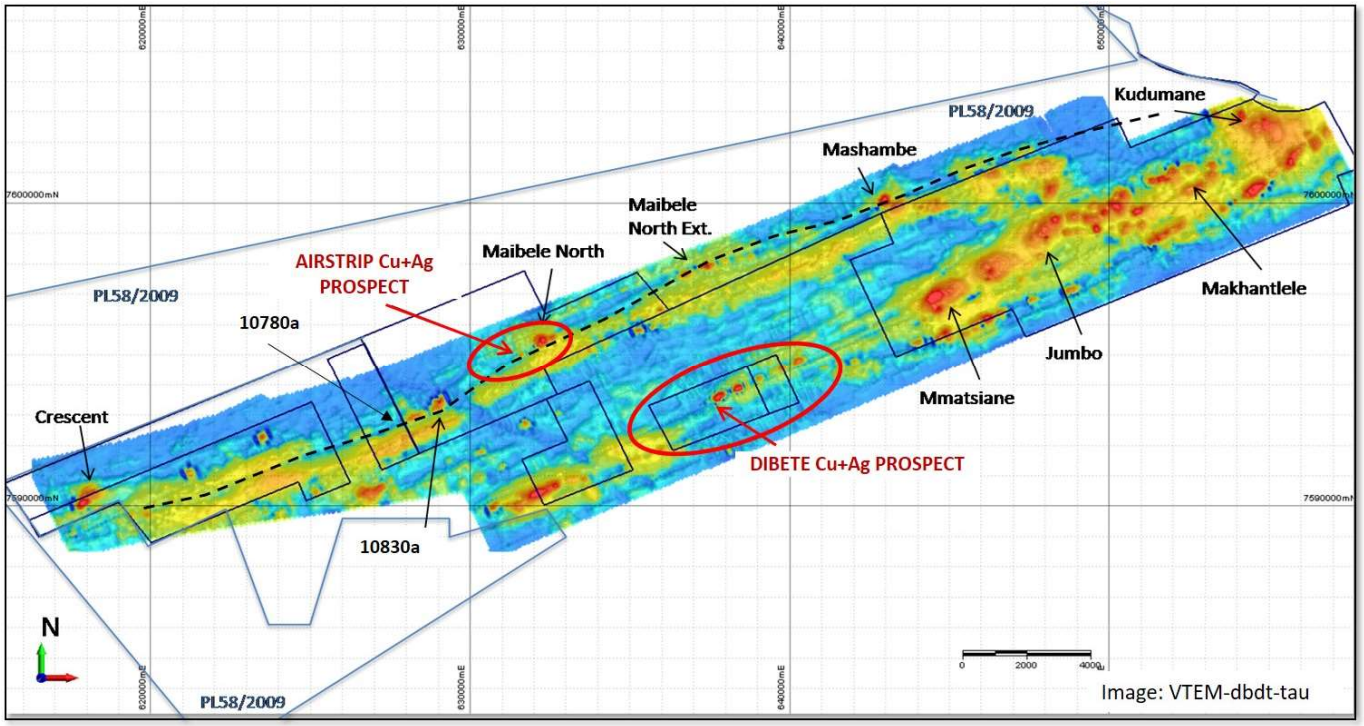


Figure 1: Location of the Airstrip and Dibete Prospects (highlighted in red) within BML's Magogophate exploration portfolio in North-eastern Botswana

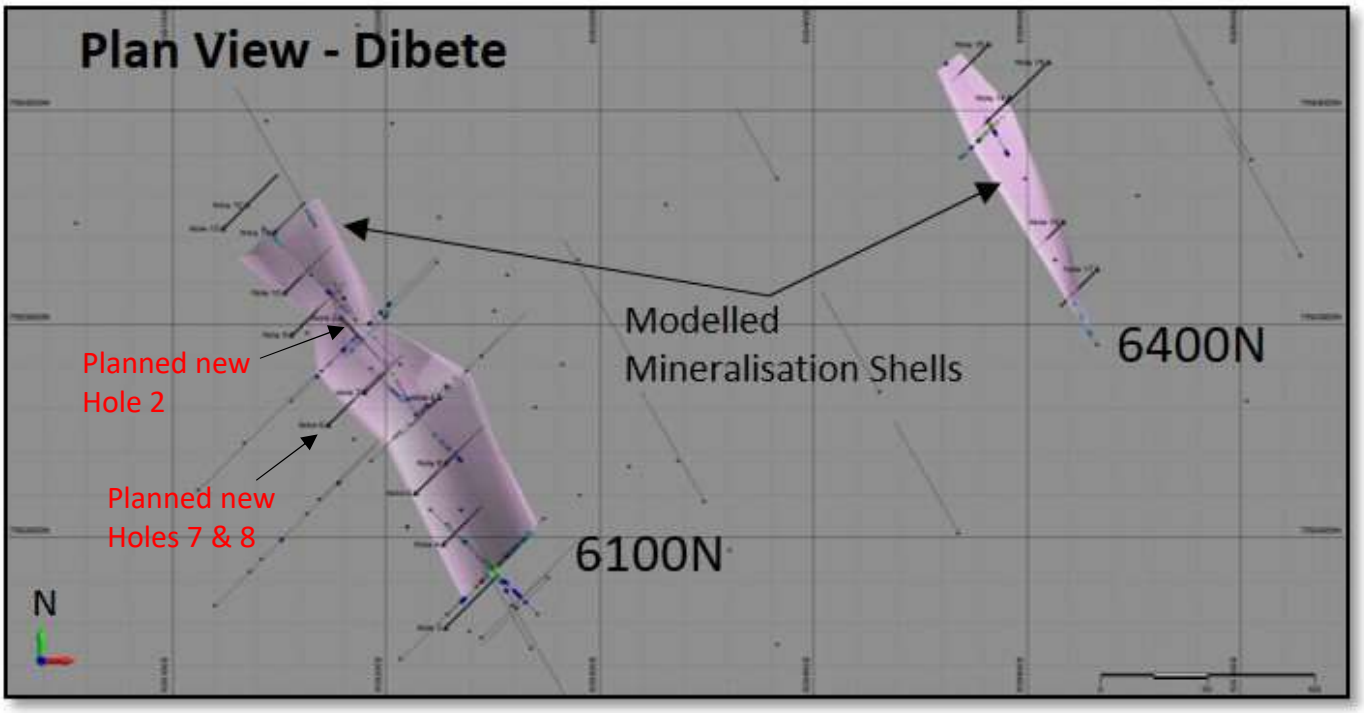
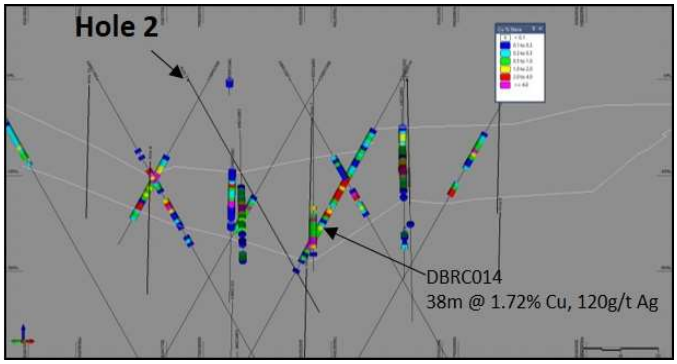


Figure 2: Plan view of the Dibete Project showing modelled mineralisation shells (pink), previous drill holes (thin grey traces) and proposed holes (thicker black traces)



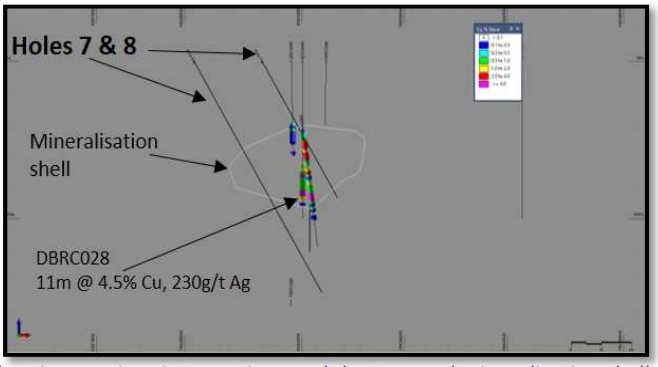


Figure 3 & 4: Examples of sections through proposed holes 2 and 7 & 8, showing previous intersections and the targeted mineralisation shells

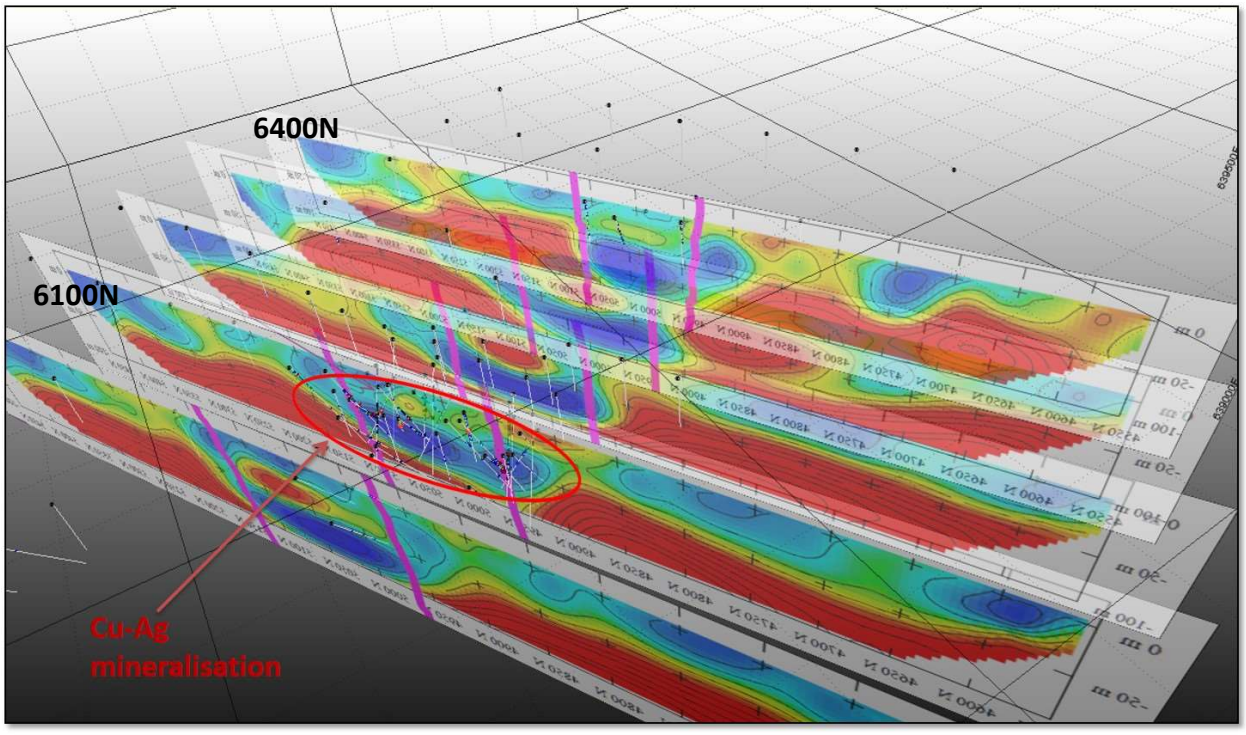


Figure 5: IP results from 2010 where IP anomalies from 2 lines, 6100N and 6400N, have been drill tested

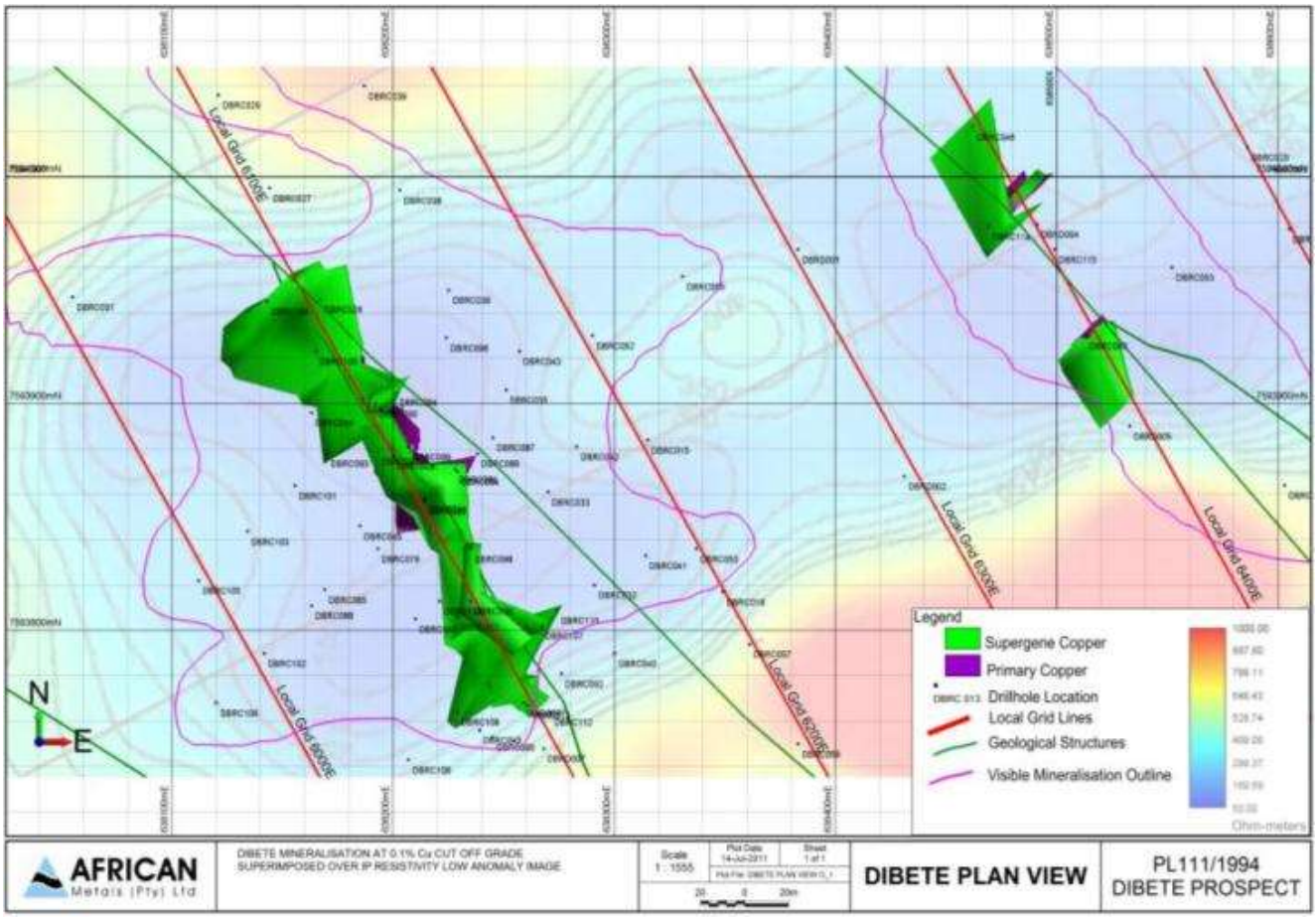


Figure 6: Dibete modelled supergene oxide Cu-Ag in drill hole intersections shown in green, overlying supergene and primary oxide sulphide mineralisation shown in purple.

The Board will keep the market informed as to the commencement of the proposed drill program designed to revisit and retest previous drilling at both Dibete and Airstrip Copper.

Patrick Volpe
Chairman

(the figures that relate to mined tonnages and grades at the Messina Copper Mines are estimates based on historical records and **do not** comply with any JORC resource classification categories)*

PROPOSED DRILL COLLARS

Table 1: Dibete Drill Collars

HoleID	Depth	EAST	NORTH	RL	AZI	DIP	Zone	Comment
Hole 1	50	638225	7593866	0	225	-60	6100N	Follow up high grades in 081, 082, 079
Hole 2	70	638179	7593903	0	137	-60	6100N	scissor 014 into high grade zone
Hole 3	70	638228	7593758	0	45	-60	6100N	Test mineralisation down-dip of 108
Hole 4	50	638227	7593797	0	45	-60	6100N	Test mineralisation model close to 030
Hole 5	50	638228	7593835	0	45	-60	6100N	Test mineralisation in 098 up dip
Hole 6	60	638214	7593821	0	45	-60	6100N	Test mineralisation in 098 down dip
Hole 7	50	638190	7593868	0	45	-60	6100N	Test mineralisation in 014, 028 up dip
Hole 8	90	638173	7593853	0	45	-60	6100N	Test mineralisation in 014, 028 down dip
Hole 9	70	638156	7593895	0	45	-60	6100N	Test mineralisation down dip of 100, 006
Hole 10	60	638153	7593915	0	45	-60	6100N	Test drilling gap in model
Hole 11	40	638148	7593943	0	45	-60	6100N	Test mineralisation between 026 and 104
Hole 12	40	638135	7593956	0	45	-60	6100N	Test NW extension of mineralisation
Hole 13	60	638124	7593945	0	45	-60	6100N	Test NW extension of mineralisation
Hole 14	50	638492	7594006	0	225	-60	6400N	Test min model at 114 and 004 up dip
Hole 15	70	638510	7594023	0	225	-60	6400N	Test min model at 114 and 004 down dip
Hole 16	50	638482	7594031	0	225	-60	6400N	Test mineralisation model at 046
Hole 17	50	638533	7593926	0	225	-60	6400N	Test mineralisation model at 005
Hole 18	40	638517	7593948	0	225	-60	6400N	Test drilling gap in model
TOTAL	1020							

Table 2: Airstrip Drill Collars

HoleID	Depth	EAST	NORTH	RL	AZI	DIP	Conductor	Comment
Hole1	90	631436	7595300	0	325	-60	C2	Test down dip min on shoot model beneath 130 and 019
Hole2	175	631713	7595044	0	325	-60	C6	Test down dip min on shoot model beneath 071
Hole3	110	631903	7594812	0	325	-60	C12	Test down dip min on shoot model beneath 067
Hole4	120	631885	7594792	0	325	-60	C12	Test down dip min on shoot model beneath 098
TOTAL	495							

Competent Person

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 Australian Institute of Geoscientists. Mr Groves is Director of, and 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 THE BCL INVESTMENTS (PTY) LTD JOINT VENTURE:

KPMG have been appointed as Provisional Liquidators of BCL Investments (Pty) Ltd in October 2016.
BML has requested that KPMG advise of their intentions in respect to the JV agreement. BML's ASX announcement titled "Update Regarding BCL Limited" dated 13 October 2016 provided details of BML's rights arising out of the provisional liquidation of BCL.

In summary:

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.

KPMG have advised that they are reviewing all their joint venture party relationships and will advise of their position when they are able to do so.