ASX ANNOUNCEMENT

2 OCTOBER 2017

APPENDIX 4G AND CORPORATE GOVERNANCE STATEMENT

Attached is an Appendix 4G and Corporate Governance Statement for Botswana Metals Limited as required by ASX Listing Rules 4.7.3 and 4.7.4.

Mr Patrick Volpe
Chairman

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)

Registered Office:
Suite 506, Level 5
1 Princess Street, Kew
Victoria, Australia, 3101

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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.

Rules 4.7.3 and 4.10.3[1]

Appendix 4G

Key to Disclosures
Corporate Governance Council Principles and Recommendations

Name of entity

BOTSWANA METALS LIMITED

ABN/ARBN

122 995 073

Financial year ended

30 JUNE 2017

Our corporate governance statement[2] for the above period above can be found at:[3]

☐ these pages of our annual report: _____

☑ this URL on our website:

http://botswanametals.com.au/wp-content/uploads/2016/02/corporate_governance_statement-1.pdf

The Corporate Governance Statement is accurate and up to date as at *28 September 2017* and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date here: 2 October 2017

Sign here: _____

Company secretary

Print name: Ramon Jimenez

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[1] Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

[2] "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

[3] Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		**We have followed the recommendation in full for the whole of the period above. We have disclosed …**	**We have <u>NOT</u> followed the recommendation in full for the whole of the period above. We have disclosed …**
<u>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</u>			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	… the fact that we follow this recommendation: ☑ in our Corporate Governance Statement **<u>OR</u>** ☐ at this location: _____ *Insert location here* … and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): ☑ at this location: Corporate Governance Statement	☐ an explanation why that is so in our Corporate Governance Statement **<u>OR</u>** ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	… the fact that we follow this recommendation: ☑ in our Corporate Governance Statement **<u>OR</u>** ☐ at this location: _____ *Insert location here*	☐ an explanation why that is so in our Corporate Governance Statement **<u>OR</u>** ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	… the fact that we follow this recommendation: ☑ in our Corporate Governance Statement **<u>OR</u>** ☐ at this location: _____ *Insert location here*	☐ an explanation why that is so in our Corporate Governance Statement **<u>OR</u>** ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	… the fact that we follow this recommendation: ☑ in our Corporate Governance Statement **OR** ☐ at this location: _____ *Insert location here*	☐ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.5	A listed entity should: (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either: (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.	… the fact that we have a diversity policy that complies with paragraph (a): ☐ in our Corporate Governance Statement **OR** ☐ at this location: _____ *Insert location here* … and a copy of our diversity policy or a summary of it: ☐ at this location: _____ *Insert location here* … the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them: ☐ in our Corporate Governance Statement **OR** ☐ at this location: _____ *Insert location here* … and the information referred to in paragraphs (c)(1) or (2): ☐ in our Corporate Governance Statement **OR** ☐ at this location: _____	☑ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …
		Insert location here	
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	… the evaluation process referred to in paragraph (a): ☑ in our Corporate Governance Statement **OR** ☐ at this location: _____ *Insert location here* … and the information referred to in paragraph (b): ☑ in our Corporate Governance Statement **OR** ☐ at this location: _____ *Insert location here*	☐ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	… the evaluation process referred to in paragraph (a): ☑ in our Corporate Governance Statement **OR** ☐ at this location: _____ *Insert location here* … and the information referred to in paragraph (b): ☑ in our Corporate Governance Statement **OR** ☐ at this location: _____ *Insert location here*	☐ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
2.1	The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; **OR** (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	[If the entity complies with paragraph (a):] … the fact that we have a nomination committee that complies with paragraphs (1) and (2): ☐ in our Corporate Governance Statement **OR** ☐ at this location: _____ *Insert location here* … and a copy of the charter of the committee: ☐ at this location: _____ *Insert location here* … and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement **OR** ☐ at this location: _____ *Insert location here* [If the entity complies with paragraph (b):] … the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively: ☑ in our Corporate Governance Statement **OR** ☐ at this location: _____ *Insert location here*	☐ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	… our board skills matrix: ☐ in our Corporate Governance Statement **OR** ☐ at this location: _____ *Insert location here*	☑ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	… the names of the directors considered by the board to be independent directors: ☑ in our Corporate Governance Statement **OR** ☐ at this location: _____ *Insert location here* … where applicable, the information referred to in paragraph (b): ☑ in our Corporate Governance Statement **OR** ☐ at this location: _____ *Insert location here* … the length of service of each director: ☐ in our Corporate Governance Statement **OR** ☑ at this location: Annual Report of the Company	☐ an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	… the fact that we follow this recommendation: ☑ in our Corporate Governance Statement **OR** ☐ at this location: _____ *Insert location here*	☐ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	… the fact that we follow this recommendation: ☐ in our Corporate Governance Statement **OR** ☐ at this location: _____ *Insert location here*	☑ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	… the fact that we follow this recommendation: ☑ in our Corporate Governance Statement **OR** ☐ at this location: _____ *Insert location here*	☐ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	… our code of conduct or a summary of it: ☐ in our Corporate Governance Statement **OR** ☐ at this location: _____ *Insert location here*	☑ an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met	[If the entity complies with paragraph (a):] … the fact that we have an audit committee that complies with paragraphs (1) and (2): ☐ in our Corporate Governance Statement **OR** ☐ at this location: _____ *Insert location here* … and a copy of the charter of the committee: ☐ at this location: _____ *Insert location here*	☑ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …
	throughout the period and the individual attendances of the members at those meetings; **OR** (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	… and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement **OR** ☐ at this location: _____ *Insert location here* [If the entity complies with paragraph (b):] … the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner: ☐ in our Corporate Governance Statement **OR** ☐ at this location: _____ *Insert location here*	
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	… the fact that we follow this recommendation: ☑ in our Corporate Governance Statement **OR** ☐ at this location: _____ *Insert location here*	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	… the fact that we follow this recommendation: ☑ in our Corporate Governance Statement **OR** ☐ at this location: _____ *Insert location here*	☐ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	… our continuous disclosure compliance policy or a summary of it: ☐ in our Corporate Governance Statement **OR** ☐ at this location: _____ *Insert location here*	☑ an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	… information about us and our governance on our website: ☑ at this location: http://www.botswanametals.com.au/	☐ an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	… the fact that we follow this recommendation: ☑ in our Corporate Governance Statement **OR** ☐ at this location: _____ *Insert location here*	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	… our policies and processes for facilitating and encouraging participation at meetings of security holders: ☑ in our Corporate Governance Statement **OR** ☐ at this location: _____ *Insert location here*	☐ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	… the fact that we follow this recommendation: ☑ in our Corporate Governance Statement **OR** ☐ at this location: _____ *Insert location here*	☐ an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; **OR** (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	[If the entity complies with paragraph (a):] … the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2): ☐ in our Corporate Governance Statement **OR** ☐ at this location: _____ *Insert location here* … and a copy of the charter of the committee: ☐ at this location: _____ *Insert location here* … and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement **OR** ☐ at this location: _____	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …
		Insert location here [If the entity complies with paragraph (b):] … the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework: ☑ in our Corporate Governance Statement **OR** ☐ at this location: _____ *Insert location here*	
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	… the fact that we follow this recommendation: ☑ in our Corporate Governance Statement **OR** ☐ at this location: _____ *Insert location here*	☐ an explanation why that is so in our Corporate Governance Statement
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; **OR** (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	[If the entity complies with paragraph (a):] … how our internal audit function is structured and what role it performs: ☐ in our Corporate Governance Statement **OR** ☐ at this location: _____ *Insert location here* [If the entity complies with paragraph (b):] … the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes: ☑ in our Corporate Governance Statement **OR** ☐ at this location: _____	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …
		Insert location here	
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	… whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks: ☑ in our Corporate Governance Statement **OR** ☐ at this location: _____ *Insert location here*	☐ an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; **OR** (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	[If the entity complies with paragraph (a):] … the fact that we have a remuneration committee that complies with paragraphs (1) and (2): ☐ in our Corporate Governance Statement **OR** ☐ at this location: _____ *Insert location here* … and a copy of the charter of the committee: ☐ at this location: _____ *Insert location here* … and the information referred to in paragraphs (4) and (5): ☐ in our Corporate Governance Statement **OR** ☐ at this location: _____ *Insert location here* [If the entity complies with paragraph (b):] … the fact that we do not have a remuneration committee and the processes we employ for setting the level and	☐ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …
		composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive: ☑ in our Corporate Governance Statement **OR** ☐ at this location: _____ *Insert location here*	
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	… separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives: ☑ in our Corporate Governance Statement **OR** ☐ at this location: _____ *Insert location here*	☐ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	… our policy on this issue or a summary of it: ☑ in our Corporate Governance Statement **OR** ☐ at this location: _____ *Insert location here*	☐ an explanation why that is so in our Corporate Governance Statement **OR** ☐ we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable **OR** ☐ we are an externally managed entity and this recommendation is therefore not applicable

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed …	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed …
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	*Alternative to Recommendation 1.1 for externally managed listed entities:* The responsible entity of an externally managed listed entity should disclose: (a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity; (b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.	… the information referred to in paragraphs (a) and (b): ☐ in our Corporate Governance Statement **OR** ☐ at this location: _____ *Insert location here*	☐ an explanation why that is so in our Corporate Governance Statement
-	*Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:* An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.	… the terms governing our remuneration as manager of the entity: ☐ in our Corporate Governance Statement **OR** ☐ at this location: _____ *Insert location here*	☐ an explanation why that is so in our Corporate Governance Statement

Corporate Governance Statement

Botswana Metals Limited ("the Company") has prepared this statement that sets out its corporate governance practices during the financial year to 30 June 2017.

The Company has adopted and substantially complies with the ASX Corporate Governance Principles and Recommendations (Third Edition) ("the Recommendations") to the extent appropriate to the size and nature of the operations of the Company and its controlled entities.

This statement is current as at 28 September 2017 and has been approved by the Board of Directors of the Company.

ASX Recommendation		Status	Reference / Comment
Principle 1 – Lay solid foundations for management and oversight			
1.1	**A listed entity should disclose:** **(a) the respective roles and responsibilities of its board and management; and** **(b) those matters expressly reserved to the board and those delegated to management.**	**Complying**	The Board's role is to govern the Company rather than to manage it. It is the role of senior management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties. The Board's responsibilities include: • Leadership of the organisation. • Strategy formulation. • Overseeing planning activities. • Shareholder liaison. • Monitoring compliance and risk management. • Company finances. • Human resources. • Remuneration policy. The Board has delegated the responsibility for management of the Company to the Executive Chairman and senior management who implement the Board's strategies and compliance activities. The Board constantly monitors the performance of the Executive Chairman and senior management in their undertaking of these duties.
1.2	**A listed entity should:** **(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and** **(b) provide security holders with all material information in its possession relevant to a decision whether or not to elect or re-elect a director.**	**Complying**	Appropriate checks will be undertaken on any candidate standing for election as a director and any material adverse information revealed by those checks will be provided to shareholders including any matters that may impact on the candidate's ability to act independently or in the best interests of the Company. In the case of any director standing for election or re-election the Company will provide information to shareholders to enable them to make an informed decision regarding the matter. Information may include the relevant qualifications and experience of the period, details of directorships of other listed entities within the past three years, whether

ASX Recommendation		Status	Reference / Comment
			the person is considered independent and a recommendation by the Board whether to vote for or against the election or re-election.
1.3	**A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.**	**Complying**	In respect of all directors and executives there is either: • a written agreement; • a letter of appointment; or • a formal job description, setting out the terms of appointment.
1.4	**The company secretary of a listed entity should be accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board**	**Complying**	The Company Secretary provides administrative assistance to the Board and manages the relationship between the Company and the ASX, other regulators, the Company's share registry and other service providers. The Company Secretary assists in the conduct of Board meetings by despatching agendas and board papers and taking minutes of the meetings. All Directors have access to the Company Secretary who is accountable to the Board. The Board has the power to appoint or remove the Company Secretary.
1.5	**A listed entity should:** **(a) have a diversity policy which includes requirements for the Board or a relevant committee of the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;** **(b) disclose that policy or a summary of it; and** **(c) disclose as at the end of each reporting period the measurable objectives to achieving gender diversity set by the Board or a relevant committee of the Board in accordance with the entity's diversity policy and its progress towards achieving them and either:** **(i) the respective proportions of men and women on the Board, in senior executive positions**	**Part Complying**	Due to the size and nature of its operations the Company has not adopted a gender diversity policy. The Group's workforce is comprised of people from different backgrounds with a range of skills, values and experiences. Diversity includes, but is not limited to, gender, age, ethnicity and cultural background. The Company is committed to providing an environment in which all employees are treated with fairness and respect, and have equal access to opportunities available in the workplace. The Group maintains an office at Selebi Phikwe that provides the opportunity to increase community participation in the Group's workforce. As at 30 June 2017 the Group: • had six employees and contractors of which one was female; and • had three Directors on the Board and none are female. It is not considered practical to set measurable targets with regard to diversity at this point in time. The Company is nonetheless committed to recruiting

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	and across the whole organisation (including how the entity has defined "senior executive") for these purposes); or **(ii) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.**		employees from a diverse pool of qualified candidates. A senior executive is the CEO and those executives that report to the CEO. All executives, managers and employees are responsible for promoting workforce diversity.
1.6	**A listed entity should:** **(a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual directors; and** **(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in accordance with that process.**	**Complying**	The Board is responsible for evaluating its performance and in doing so may engage independent external advisers if thought appropriate to do so. The Board has a formal process to evaluate the performance of directors at least annually and such performance is monitored on a regular basis with appropriate feedback and necessary training given to such executives. A performance evaluation of the directors was undertaken during the year.
1.7	**A listed entity should:** **(a) have and disclose a process for periodically evaluating the performance of its senior executives; and** **(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.**	**Complying**	The Board is responsible for evaluating the performance of senior executives and in doing so may engage independent external advisers if thought appropriate to do so. The Board has a formal process to evaluate the performance of senior executives and such performance is monitored on a regular basis with appropriate feedback and necessary training given to such executives. A performance evaluation of senior executives was undertaken during the year.
Principle 2 – Structure the Board to add value			
2.1	**The Board of a listed entity should:** **(a) have a nomination committee which:** **(i) has at least three members, a majority of whom are independent directors; and**	**Complying**	Due to the size and nature of its operations, the Company does not have a nomination committee. The Board fulfills the role of a nomination committee. The Board understands the benefits in having a diversity of Directors with a mix of skills, knowledge, experience and independence to enable the Board to discharge its duties and

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	(ii) is chaired by an independent director, **and disclose,** **(iii) the charter of the committee;** **(iv) the members of the committee; and** **(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of those members at those meetings; or** **(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.**		responsibilities effectively. The Board will seek external advice where necessary in connection with the recruitment and appointment of additional Directors.
2.2	**A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership**	**Part Complying**	The Company has not disclosed a Board skills matrix. Instead, in the Director's Report included in the Annual Report of the Company, the skills, experience and expertise of each Director is disclosed. The Company seeks a diverse Board with differing skills, knowledge, experience and independence to enable the Board to discharge its duties and responsibilities effectively and add value for shareholders.
2.3	**A listed entity should disclose:** **(a) the names of the directors considered to be independent directors;** **(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the Board is of the opinion that it does not compromise the independence of the**	**Complying**	As at the date of this Statement, the Board considers that Mr Steve Groves, Mr Edwin Bulseco and Mr Joshua Letcher are independent Directors having regard to the factors described in Box 2.3. Mr Groves from time to time provides consultancy services to the Company in addition to his services as a non-executive Director and the fees paid for those services are disclosed in the Annual Report. The Board is satisfied that the fees paid to Mr Groves are of a level which does not compromise his independence.

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	director, the nature of the interest, position or association or relationship in question and an explanation of why the Board is of that opinion; and **(c) the length of service of each director.**		Mr Bulseco is a Director and substantial shareholder of Xcel Capital Pty Ltd which has managed a capital raising for the Company on a best endeavours basis and was paid fees on normal commercial terms and conditions. The Board is satisfied that the fees paid to Xcel Capital Pty Ltd are of a level which does not compromise his independence. The period of service of each Director is set out in the Director's Report included in the Annual Report of the Company.
2.4	**A majority of the Board of a listed entity should be independent directors.**	**Complying**	As at the date of this Statement, the Board comprises four Directors, of which three are considered to be independent and non-executive.
2.5	**The Chair of the Board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.**	**Non Complying**	Mr P J Volpe has been the Chairman of the Company since 2007. He is not considered by the Board to be an independent director as he has an Executive role and is a substantial shareholder. Mr Volpe as Executive Chairman performs the function of a Chief Executive Officer. The non-executive Directors are satisfied that Mr Volpe is the most appropriate person for the position of Chairman at this stage in the Company's development and that Mr Volpe's expertise and relationship with relevant stakeholders in Botswana (including the Government, BCL Limited and local authorities) negates any perceived lack of independence.
2.6	**A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.**	**Complying**	Newly appointed Directors will be provided with an effective induction process during which they receive information on the Company's strategies, objectives and operations. All Directors have ongoing access to information on the Company's activities and operations. Directors collectively or individually have the right to seek independent professional advice at the Company's expense to assist them to carry out their responsibilities. The written approval of the Chairman must be obtained before any expenditure is incurred on behalf of the Company. Directors are also able to request the assistance of the Company Secretary to enable them to fulfil their duties.

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Principle 3 – Promote ethical and responsible decision-making			
3.1	**A listed entity should:** **(a) have a code of conduct for its directors, senior executives and employees; and** **(b) disclose that code or a summary of it.**	**Part Complying**	Due to the size of the Company and the nature of its operations, the Board does not consider that a formal Code of Conduct for Directors, Executives and Employees is required. Rather, it is agreed by the Board that all officers of the Company will act ethically and in the best interests of the Company. In maintaining the highest standards of corporate governance and ethical conduct directors, executives and employees are required to: • act honestly and in good faith; • exercise due care and diligence in fulfilling the functions of office; • avoid conflicts and make full disclosure of any possible conflict of interest; • comply with the law; • encourage the reporting and investigating of unlawful and unethical behavior; and • comply with the Company's Securities Trading Policy. Directors are obliged to be independent in judgment and take all reasonable steps to see that due care is taken by the Board in making sound decisions. The Company has a Securities Trading Policy that regulates dealings by directors, officers and employees in shares, options and other securities issued by the Company. Under the Policy an executive, director, company secretary or employee must not trade in any securities when they are in possession of unpublished price sensitive information in relation to those securities. Approval of the Board must be obtained before securities and purchased or sold. The purpose of the policy is to enhance awareness of, and compliance with, legal restrictions on the trading in securities while in possession of unpublished price sensitive information. A copy of the Securities Trading Policy is available from the Company on request.

Principle 4 – Safeguard integrity in financial reporting			
4.1	**The board of a listed entity should:** **(a) have an audit committee which:** **(i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and** **(ii) is chaired by an independent director, who is not the chair of the board,** **and disclose:** **(iii) the charter of the committee;** **(iv) the relevant qualifications and experience of the members of the committee; and** **(v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of those members at those meetings; or** **(b) if it does not have an audit committee, disclose that fact and the processes it employees that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.**	**Part Complying**	The Company has established an Audit and Compliance Committee of which, as at 30 June 2017, Mr P J Volpe was the sole member following the resignation earlier in the year of Mr M L Cellante as a Director of the company. The Committee was not active and did not meet in the year to 30 June 2017 as, given the size of the Company, all audit and compliance issues were considered and addressed by the full Board of Directors. The Committee does not have a formal charter.

4.2	**The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.**	**Complying**	The persons performing the CEO and CFO functions provide written declarations to the Board confirming that, in their opinion, the financial records of the entity have been properly maintained, that the financial statements comply with appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. The Board reviews all financial statements and then approves them for issue. The Board does and will continue to seek these declarations prior to approving the half-year and annual financial statements.
4.3	**A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.**	**Complying**	The Company arranges for its external auditor to attend the AGM and shareholders are given a reasonable opportunity to ask the auditor questions.
Principle 5 – Make timely and balanced disclosure			
5.1	**A listed entity should:** **(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and** **(b) disclose that policy or a summary of it.**	**Part Complying**	Due to the size of the Company and the nature of its operations, the Company achieves compliance with its continuous disclosure obligations without the need for formal policies and procedures, however there are specific processes followed by the Board and officers with regard to ensuring that the Company complies with its obligations. All directors, employees and contractors are aware of the need to promptly report any material information concerning the Company to the Executive Chairman or the Board so that a decision regarding disclosure can be made. The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX.
Principle 6 – Respect the rights of shareholders			
6.1	**A listed entity should provide information about itself and its governance to**	**Complying**	The Company maintains a website which contains information about the Company and its governance.

	investors via its website.		Information published on the website includes: • all relevant announcements made to the market, including annual and half-year reports; • the full text of notices of meeting and explanatory memoranda; and • investor presentations, research notes and other documents concerning the Company.
6.2	**A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.**	**Complying**	Due to the size and nature of operations of the Company, it does not have a formal policy regarding the promotion of effective communications with shareholders. The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company is committed to: • Communicating effectively with shareholders through ongoing releases to the market via the ASX. • Giving shareholders ready access to balanced and understandable information about the Company. • Providing annual and half-year reports. • Providing information through the Company's website. • Encouraging shareholder engagement with the Company through attending general meetings, in particular, the AGM. • Engaging investor relations consultants to facilitate shareholder understanding of the Company and its operations.
6.3	**A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.**	**Complying**	Due to the size and nature of the operations of the Company it does not have a formal policy regarding the facilitation and encouragement of shareholder participation in general meetings. The Company encourages shareholder engagement through attendance, or participation, in general meetings by: • Giving clear and adequate notice of meetings as required by the Company's Constitution, the Corporations Act and the ASX Listing Rules. • Providing appropriate explanatory materials for the business to be considered at meetings. • Enabling shareholders who cannot attend the meeting in person to vote by proxy, attorney or representative. • Providing an opportunity for shareholders to put questions to the Board. • Arranging for the external auditor to attend the AGM and take questions as to the conduct of the audit and the preparation and content of the auditor's

			report.
6.4	**A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.**	**Complying**	Shareholders are able to register their email address with the Company's share registry to receive communications electronically. Shareholders are also able to communicate with the Company electronically by emailing the Company Secretary. Shareholders can also communicate with the share registry by email or through the share registry's website.
Principle 7 – Recognise and manage risk			
7.1	**The board of a listed entity should:** **(a) have a committee or committees to oversee risk, each of which:** **(i) has at least three members, a majority of whom are independent directors; and** **(ii) is chaired by an independent director,** **and disclose:** **(iii) the charter of the committee;** **(iv) the members of the committee; and** **(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or** **(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.**	**Complying**	Due to its size and the nature of operations of the Company, it has not established a committee to oversee risk. The Board monitors all key areas of the Company's risk management on an ongoing basis and keeps shareholders informed of any changes in the risk profile of the Company. The Board considers identification and management of key risks associated with the business as vital to maximise shareholder wealth. The Board monitors the risk profile from the operational level through to strategic level risks. The Board oversees the Company's internal control structure and risk management systems. The goal is to ensure that risks are identified, assessed and appropriately managed.

7.2	**The board or a committee of the board should:** **(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and** **(b) disclose, in relation to each reporting period, whether such a review has taken place**	**Complying**	The Group's major business units, organisational structure and accounting controls and processes are reviewed by the Board on a regular basis and at least annually; the Board is satisfied that the processes in place to identify the Company's material business risks are appropriate and that these risks are being effectively managed. The Company's risk management processes continue to be monitored and reported against on an ongoing basis. A review of risk management was undertaken in the year to 30 June 2017.
7.3	**A listed entity should disclose:** **(a) if it has an internal audit function, how the function is structured and what role it performs; or** **(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.**	**Complying**	Due to size and nature of operations of the Company it does not have an internal audit function. The Board is responsible for ensuring that the Company has appropriate systems and controls in place, and for overseeing the effectiveness of those systems and controls. The Board is also responsible for investigating breaches or potential breaches of those controls. The Company's external auditors also provide recommendations to the Board where internal control weaknesses have been identified.
7.4	**A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.**	**Complying**	The operations of the Company are not subject to any significant environmental regulations under the Commonwealth or State legislation. There are specific risks inherent in the mineral exploration activity undertaken by the Company's subsidiary however it is not considered that these activities result in extraordinary exposure to economic, environmental or social sustainability risks.
Principle 8 – Remunerate fairly and responsibly			
8.1	**The board of a listed entity should:** **(a) have a remuneration committee which:** **(i) has at least three members, a majority of whom are independent directors; and** **(ii) is chaired by an independent director,** **and disclose:** **(iii) the charter of the committee;**	**Complying**	Due to the size and nature of the operations of the Company it has not established a remuneration committee. The Board as a whole reviews remuneration package and practices applicable to executive directors, non-executive directors, senior executives and employees. The Board also reviews share option schemes, incentive performance packages and retirement and termination entitlements. Remuneration levels are competitively set to attract the most qualified and experienced

	(iv) the members of the committee; and **(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or** **(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and compensation of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.**		people. Remuneration is reviewed by reference to Company performance, director/executive performance, comparable information from industry sectors and other listed companies. The Board seeks independent advice from external consultants when required.
8.2	**A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.**	**Complying**	Details of the remuneration of Directors and Key Management Personnel are contained in the Remuneration Report, which is included in the Annual Report of the Company. Remuneration paid to executive directors and senior executives is distinguished from that paid to non-executive directors.
8.3	**A listed entity which has an equity-based remuneration scheme should:** **(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and** **(b) disclose that policy or a summary of it.**	**Complying**	The Company previously introduced the Botswana Metals Performance Rights Plan ("PRP") and the Executive and Employee Option Plan ("EEOP"). The are no rights outstanding under the PRP and no options outstanding under the EEOP at this time. The Company's existing Securities Trading Policy (discussed above) requires the approval of the Board of Directors for any dealings by directors or executives in securities (including derivatives). The Company will adopt a policy in accordance with Recommendation 8.3 if rights are issued under the PRP or options are issued under the EEOP or if any other equity-based remuneration scheme is introduced. The Company introduced the Botswana Metals Directors' Fee Plan as approved by shareholders at the Annual General Meeting of the Company on 30 November 2016 to allow Directors (or their related entities) to take up shares in lieu of accrued and unpaid

			fees or remuneration. On 11 April 2017 Trayburn Pty Ltd (a company of which Mr P J Volpe is a Director and substantial shareholder) took up 53,950,000 fully paid ordinary shares pursuant to the Directors' Fee Plan. No further shares can be issued under the Directors' Fee Plan without shareholder approval.