**ASX ANNOUNCEMENT**

**13 OCTOBER 2017**

# SPP OFFER DOCUMENT

Further to previous announcements regarding the Share Purchase Plan ("SPP") to be offered to shareholders with a registered address in Australia or New Zealand, attached are copies of the following documents despatched to eligible shareholders today:

1. Offer Document.

2. Application Form.

The Company reserves the right not to proceed with the whole or part of the SPP at any time prior to the issue of the new shares and, if the SPP does not proceed, application monies will be refunded in full without interest.

**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

**Contact:**
p: +61 (3) 9855 1885
e: info@botswanametals.com.au


**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.

**Botswana Metals Share Purchase Plan**

13 October 2017

Dear Shareholder

**Offer to participate in the Botswana Metals Share Purchase Plan**

The Directors of Botswana Metals Limited (ASX: BML) (**Company**) are pleased to offer you the opportunity to participate in the Botswana Metals Share Purchase Plan (**SPP**).

As announced on 8 September 2017, the Company is undertaking a two stage program of capital raisings comprising of:

1. this SPP under which fully paid ordinary shares in the Company (**Shares**) are offered to shareholders, with a registered address in Australia or New Zealand (**Eligible Shareholders**), at an offer price of $0.00082 (0.082 cents) per Share (**SPP Shares**), with, subject to prior shareholder approval, one (1) free attaching option for every three (3) SPP Shares subscribed with an exercise price of $0.00125 (0.125 cents) and an expiry date of 1 July 2021 (**SPP Options**). The Record Date for the SPP is 7:00pm (AEST) on 7 September 2017. The issue of the SPP Options is subject to prior shareholder approval at the Company's annual general meeting anticipated to be held in mid to late November 2017 (**Annual General Meeting**). It is important to note the SPP Shares will be issued regardless of whether shareholder approval is obtained for the SPP Options. Where approval is not obtained, SPP participants will not be issued the SPP Options nor will they receive a refund of any of their application money or be entitled to be paid any compensation by the Company (please see Section 6 of the attached Offer Booklet for more information); and

2. a placement to sophisticated and professional investors of 1,524,390,243 Shares at an issue price of $0.00082 (0.082 cents) per Share (**Placement Shares**), with one (1) free attaching option for every three (3) Shares subscribed with an exercise price of $0.00082 (0.082 cents) per Share and an expiry date of 1 July 2021 (**Placement Options**)(**Placement**). If fully subscribed, the Placement will raise up to approximately $1.25 million before costs. The issue of the Placement Shares and Placement Options is subject to prior shareholder approval at the Annual General Meeting and, if approved, the Company will issue the Placement Shares and Placement Options soon after the Annual General Meeting. It is the intention of the Company to apply for quotation of the Placement Options on ASX.

The Company is also proposing, among other things, to seek approval at the Annual General Meeting for a 1 for 12 share consolidation (**Consolidation**) (see further details below).

The SPP offers Eligible Shareholders an opportunity to purchase further Shares in the Company to a value of $1,000, $2,000, $5,000, $10,000 or $15,000 at a discount and free from brokerage and transaction costs.

The offer price for the SPP Shares represents a 19.61% discount to the volume weighted average price of the Company’s Shares for the five trading day period up to and including 7 September 2017 (the trading day prior to the announcement of the SPP).

Any SPP Shares not subscribed for by Eligible Shareholders under the SPP will comprise the shortfall (**SPP Shortfall**) and may be offered to institutional or sophisticated investors as a separate placement at the discretion of the Directors (**SPP Shortfall Offer**). Investors who subscribe for SPP Shares under the SPP Shortfall Offer will be allocated one (1) free attaching Option for every three (3) SPP Shares subscribed with an exercise price of $0.00125 (0.125 cents) and an expiry date of 1 July 2021 (**SPP Shortfall Options**).

It is proposed that the Company will apply to have the SPP Shares, SPP Options and Placement Options quoted on ASX. It is intended that the quotation of the SPP Shares will take place prior to the Annual General Meeting and the quotation of the SPP Options, Placement Options and any SPP Shortfall Options will take place after the Annual General Meeting (subject to prior Shareholder approval and meeting ASX's quotation conditions).

The SPP Options, any SPP Shortfall Options and Placement Options will be offered under a prospectus to be lodged prior to the Annual General Meeting and will be issued subject to the receipt of prior shareholder approval at the Annual General Meeting intended to be held in mid to late November 2017. A Notice of Annual General Meeting will be distributed to shareholders in the coming weeks. As noted above the SPP Shares will be issued regardless of whether shareholder approval is obtained for the SPP Options. Where approval is not obtained, SPP participants will not be issued the SPP Options nor will they receive a refund of any of their application money or be entitled to be paid any compensation by the Company.

The SPP is not underwritten and will be capped at a total amount of $448,782 (before costs). A scale-back policy will be applied if valid applications exceed $448,782. The Company reserves absolute discretion regarding the amount raised under the SPP and the exercise of its right to accept additional funds or to scale-back applications. Should a scale-back happen, you may be allocated SPP Shares to a value which is less than the parcel of SPP Shares you applied for and the difference will be refunded to you.

The funds raised under the SPP and Placement will be used to:

- to accelerate the Dibete and Airstrip Copper-Silver drilling program;
- settle outstanding creditors (including Trayburn Pty Ltd a company of which Mr P J Volpe, a Director of the Company, is a director and substantial shareholder);
- to pay the costs of the SPP and Placement including fees to Xcel Capital Pty Ltd (a company of which Mr E Bulseco, a director of the Company, is a director and substantial shareholder) and Foxfire Capital Pty Ltd (a company of which Mr P J Volpe, a director of the Company, is a substantial shareholder and consultant);
- search for other mineral exploration opportunities; and
- general working capital.

Participation in the SPP is entirely optional and open to Eligible Shareholders who were holders of Shares in the Company as at 7:00pm (AEST) on 7 September 2017.

The SPP will open on 13 October 2017 (and the SPP Offer Booklet will be despatched to Eligible Shareholders by 13 October 2017) and will remain open until 5:00pm (AEST) on 30 October 2017. As soon as practicable after the close of the SPP, the Company will make an ASX announcement as to the outcome of the SPP and the number of SPP Shares that will be issued and the number of attaching SPP Options to be issued after the Annual General Meeting (subject to shareholder approval).

As announced by the Company on 8 September 2017, at the Annual General Meeting the Board will propose a resolution to shareholders to consolidate the securities of the Company on a 1 for

12 basis. Assuming the SPP Shares, Placement Shares, SPP Options, and Placement Options referred to above are issued, and the Consolidation resolution is approved by shareholders at the Annual General Meeting, the consolidated capital of the Company will be as follows:

| | Shares | Options | Exercise Price |
|---|---|---|---|
| **Before Consolidation** | 4,118,561,776 | 1,004,748,653 | $0.00125 |
| **After Consolidation** | **343,213,481** | **83,729,054** | **$0.015** |

This document is important and should be read thoroughly in conjunction with the publicly available information relating to the Company. If you are unsure about whether to participate, please contact your professional adviser. If you require further information, please contact the Company Secretary (contact details are in the enclosed instructions).

On behalf of the Board, I invite you to consider this opportunity to increase your investment in the Company.

Yours sincerely



**Mr Patrick J Volpe**
**Executive Chairman**
**Botswana Metals Limited**

**SPP OFFER BOOKLET**

## SPP OFFER AT A GLANCE

## INDICATIVE KEY DATES

Capitalised terms in this SPP Offer Booklet that are not defined have the same as those ascribed in the letter to shareholders dated 13 October 2017.

| DATE | EVENT |
|---|---|
| 7:00pm (AEST) on 7 September 2017 | **Record Date**<br>The date and time at which the Company determines who is eligible to participate in the SPP. |
| 8 September 2017 | **Announcement of SPP** |
| 12 October 2017 | **Lodgement of ASIC Class Order [CO 09/425] notice with ASX** |
| 13 October 2017 | **Despatch of SPP Offer Booklet** |
| 13 October 2017 | **Opening Date for SPP** |
| 5:00pm (AEST) on 30 October 2017 | **Closing Date for SPP**<br>Application Forms together with payment by cheque or money order must be received by this time and date.<br>**Note:** BPAY payments must be received by 5:00pm (AEST) on 30 October 2017, which is when the BPAY system closes on the Closing Date. |
| 31 October 2017 | **Lodgement of Prospectus**<br>Lodgement of Prospectus with ASX for offer of SPP Options, any SPP Shortfall Options and Placement Options (**Options Offers**). This Prospectus will also contain other offers of Options with such Options being on the same terms as the SPP Options. |
| 31 October 2017 | **Despatch of Prospectus** |
| 31 October 2017 | **Opening Date for Options Offers** |
| 10 November 2017 | **Closing Date for Options Offers** |
| 15 November 2017 (this is anticipated to be the earliest date on which the Annual General Meeting may be held) | **Annual General Meeting**<br>The date and time of the Annual General Meeting at which shareholder approval will be sought for the issue of the Placement Shares, SPP Options, SPP Shortfall Options and Placement Options. |

| DATE | EVENT |
|---|---|
| 16 November 2017 | **Issue Date**<br>The date on which the SPP Shares, SPP Options, any SPP Shortfall Shares, any SPP Shortfall Options, Placement Shares and Placement Options are expected to be issued. |
| 17 November 2017 | **Trading Date**<br>The date on which the SPP Shares, SPP Options, any SPP Shortfall Shares, any SPP Shortfall Options, Placement Shares and Placement Options are expected to begin trading. |
| 17 November 2017 | **Despatch Date**<br>Transaction confirmations/holding statements will be sent to shareholders for SPP Shares, SPP Options, any SPP Shortfall Shares, any SPP Shortfall Options, Placement Shares and Placement Options on or about this date. |

* The Company may change any of the Indicative Key Dates at its discretion (even if the offer has opened or applications have been received). If the Annual General Meeting is not held on 15 November 2017, the Issue Date, Trading Date and Despatch Date will take place on later dates.

**OFFER DETAILS**

| | |
|---|---|
| **Offer Price** | The offer price for each SPP Share is $0.00082. The offer price for the SPP Shares represents a 19.61% discount to the volume weighted average price of the Company's Shares for the five trading day period up to and including 7 September 2017 (the trading day prior to the announcement of the SPP). |
| **Attaching Options** | One (1) free attaching SPP Option for every three (3) SPP Shares subscribed for, exercisable at $0.00125 cents and expiring on 1 July 2021. The issue of the SPP Options is subject to shareholder approval and the Company intends to apply to ASX for quotation of these SPP Options. There is a risk that the issue of the SPP Options will not be approved at the Annual General Meeting and, if there is no approval, the SPP Shares will still be issued under this SPP but without the SPP Options. |
| **Minimum Application Amount** | The minimum application amount is $1,000. |
| **Maximum Application Amount** | The maximum application amount is $15,000. |
| **Permitted Application Amounts** | Each Eligible Shareholder is entitled to subscribe for a parcel of SPP Shares valued at any of $1,000, $2,000, $5,000, $10,000 or $15,000. |

**INSTRUCTIONS**

The SPP opens on 13 October 2017 and under the offer you may apply for a parcel of SPP Shares as set out in the table below. You will be entitled to, subject to receipt of prior shareholder approval at the Annual General Meeting, one (1) SPP Option for every three (3) SPP Shares you subscribe for under the SPP. The total number of SPP Options under each parcel of SPP Shares is outlined in the table below:

| Number of SPP Shares applied for | Amount payable for that parcel | Number of free-attaching Options |
|---|---|---|
| 1,219,512 | $1,000 | 406,504 |
| 2,439,024 | $2,000 | 813,008 |
| 6,097,560 | $5,000 | 2,032,520 |
| 12,195,121 | $10,000 | 4,065,040 |
| 18,292,682 | $15,000 | 6,097,560 |

In terms of the above table, where an application for SPP Shares and SPP Options results in a fraction of a SPP Share or SPP Option to be issued to an Eligible Shareholder, such fraction will be rounded down to the nearest whole SPP Share and SPP Option.

To apply and pay for your SPP Shares, you have two options:

**Option 1: BPAY®**

You can make a payment by BPAY® if you have an Australian bank account enabled for this purpose. BPAY® customers must follow the instructions at paragraph 5 of the Terms and Conditions and in the Application Form and must use the customer reference number shown on the Application Form which is required to identify your holding. If paying by BPAY®, you still need to return your Application Form if you wish to apply for free-attaching SPP Options under the Prospectus. See paragraph 5 of the Terms and Conditions for further information.

**Option 2: Application Form and cheque, bank draft or money order**

You can complete the Application Form and return it to Advanced Share Registry Ltd (**Share Registry**), 110 Stirling Highway, Nedlands, Western Australia together with a cheque, bank draft or money order, in accordance with the instructions on the Application Form.

Cheques, bank draft and money orders must be made payable to "Botswana Metals Limited – SPP Subscription Funds Trust Account" in Australian dollars and drawn on an Australian bank for the correct amount. The Company will not accept payment by cash.

**Timing**

All payments by cheques, bank draft and money orders and Application Forms must be received before 5:00pm AEST on 30 October 2017. You cannot withdraw or cancel your application or BPAY® payment once you have sent it in. BPAY® payments must be received by 5:00pm AEST on 30 October 2017 (note that your financial institution may implement earlier cut-off times

with regards to electronic payment and you should therefore take this into consideration when making payment).

**NO OFFER OUTSIDE AUSTRALIA AND NEW ZEALAND**

This document may not be released or distributed in any country other than Australia and New Zealand. This document does not constitute an offer to sell, or a solicitation of an offer to buy, in any country other than Australia and New Zealand.

**QUESTIONS**

If you have any questions, please contact the Company Secretary any time between 9.00am and 5:00pm (AEST) Monday to Friday on +61 3 9855 1885.

**SPP TERMS AND CONDITIONS**

**IMPORTANT NOTICE**: The market price of Company Shares may rise or fall from now to when the SPP Shares are issued to you under the SPP or upon exercise of the SPP Options. Therefore, if you apply for and we allot to you SPP Shares under the SPP, the offer price for those SPP Shares may be more than, or less than, the market price of Company Shares you could buy at that time. Similarly, the exercise price for your SPP Options may be more than, or less than, the market price of the Company's Shares you could buy at the time of exercise. By completing and returning the Application Form or making a BPAY payment, you acknowledge this risk. We encourage you to contact your professional adviser regarding whether to participate in the SPP and how much to contribute.

## 1. Offer timetable

(a) The offer timetable is set out in the Indicative Key Dates above and is included in these Terms and Conditions.

(b) Payment by BPAY®, Application Forms, cheques, bank draft and money orders may not be processed and may not be valid if they have not been received by or on behalf of the Company by the time and date specified for the Closing Date. You must allow adequate time for Application Forms and cheques, bank draft or money orders forwarded by post to be received by the Share Registry. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment, and you should therefore take this into consideration when making payment.

(c) The Company expects to send transaction confirmations or holding statements to you on or around the Despatch Date.

(d) The Company expects that the SPP Shares and SPP Options will be issued on the Issue Date set out in the timetable and will commence trading on ASX on the Trading Date set out in the timetable. You must confirm your holding before trading in any SPP Shares and SPP Options you believe have been issued to you under the SPP and pursuant to the Prospectus, respectively.

(e) At any time, the Company can change the Closing Date, the Issue Date, the Trading Date and the Despatch Date (even if the offer has opened, or BPAY® payments and Application Forms have been received) by lodging a revised timetable with ASX.

## 2. Eligible Shareholders

You are an eligible shareholder and may participate in the SPP if you were a registered holder of fully paid ordinary shares in the Company (**Shares**) with a registered address in Australia or New Zealand as at 7:00pm (AEST) on 7 September 2017, unless you hold Shares on behalf of another person who resides outside Australia or New Zealand (in which case you will not be eligible to participate in respect of the SPP Shares of that person) (**Eligible Shareholder**).

For New Zealand shareholders, you must still be a shareholder at the date of this offer, that is, 13 October 2017.

The Company has determined that it is not practical for holders of Shares with registered addresses in other countries to participate.

(a) **Holders receiving more than one offer**: If you are the only registered holder of Shares, but you receive more than one offer under the SPP (due to multiple registered holdings), you may only contribute a maximum of $15,000 in applying for SPP Shares.

(b) **Joint Holders**: If 2 or more persons are recorded in the register of members of the Company as jointly holding Company Shares, they are considered to be a single registered holder for the purpose of the SPP and they are entitled to participate in the SPP in respect of that single holding only. If as joint holders you receive more than one offer under the SPP due to multiple identical holdings, you may still only contribute a maximum of $15,000 in applying for SPP Shares.

(c) **Custodians, trustees and nominees**: If you are a custodian, trustee or nominee within the definition of "custodian" in ASIC Class Order [CO 09/425] (**Custodian**), and hold Shares on behalf of one or more persons (each a **Participating Beneficiary**), or on behalf of a "downstream custodian" within the definition of ASIC Class Order [CO 09/425] who holds the beneficial interest in Shares on behalf of a Participating Beneficiary, you may apply for up to a maximum of $15,000 worth of SPP Shares for each Participating Beneficiary, subject to providing the Company with a Custodian Certificate in accordance with paragraph 15(d) below. If you are not a Custodian, the rules for multiple single holdings apply and you may only contribute a maximum of $15,000 in applying for SPP Shares. You are not eligible to participate on behalf of a person who resides outside Australia and New Zealand.

## 3. Participation is optional

Participation in the SPP is entirely optional. If you are an Eligible Shareholder, you can choose whether or not to participate.

## 4. How much can you invest?

(a) If you are an Eligible Shareholder, you may apply to buy a parcel of SPP Shares by contributing a set amount of approximately $1,000, $2,000, $5,000, $10,000 or $15,000. There is no additional cost to acquire the SPP Options.

(b) This parcel may be subject to a scaleback and rounding. The SPP will be capped at a total amount raised of $448,782 (before costs) and the maximum number of SPP Shares that will be issued is 547,294,744. The Company reserves absolute discretion regarding the amount raised under the SPP and the exercise of its right to accept additional funds or to scaleback applications subject to the ASX Listing Rules.

(c) Unless you are applying as a Custodian, the maximum amount of $15,000 applies even if you receive more than one Application Form or if you hold Shares in the Company in more than one capacity (for example, if you are both a sole and joint holder of Shares in the Company - see paragraph 2 above) and irrespective of the number of Shares you hold on the Record Date. We can

reject any application for SPP Shares if we believe you have not complied with this condition.

## 5. How to apply for SPP Shares

If you would like to participate in the SPP, you have two options:

**Option 1: BPAY**

Provided you are not a Custodian, you can make a payment by BPAY® if you have an Australian bank account enabled for this purpose. BPAY® customers must use the customer reference number shown on the Application Form which is required to identify your holding.

IMPORTANT NOTE: By using this BPAY® facility to apply for SPP Shares, you represent that the total of the application price for the following does not exceed $15,000:

(a) the SPP Shares the subject of this application;

(b) any other SPP Shares applied for under this SPP, or Shares or interests in the class issued under a similar arrangement in the 12 months before this application;

(c) any other Shares or interests in the class which you have instructed a custodian to acquire on your behalf under this SPP; and

(d) any other Shares or interests in the class issued to a Custodian under an arrangement similar to this SPP in the 12 months before this application as a result of you instructing the Custodian or another Custodian, which resulted in you holding a beneficial interest in the Shares or interests.

Payment by BPAY® may not be processed and may not be valid if it has not been received by the Company by the time and date specified for the Closing Date. You should be aware that the BPAY® system closes at 5:00pm AEST and your financial institution may implement earlier cut-off times with regards to electronic payment, and you should therefore take this into consideration when making payment.

**Option 2: Application Form and cheque, bank draft or money order**

You must complete an Application Form and return it with a cheque, bank draft or money order in accordance with the instructions on the Application Form.

Cheques, bank draft and money orders must be payable to "Botswana Metals Limited – Share Subscription Account", in Australian dollars and drawn on an Australian bank for the correct amount. The Company will not accept payment by cash.

Application Forms, cheques, bank draft and money orders may not be processed and may not be valid if they have not been received by or on behalf of the Company by the time and date specified for the Closing Date. You must allow adequate time for Application Forms and cheques, bank draft or money orders forwarded by post to be received by the Share Registry.

## 6. Options

Successful applicants for SPP Shares under the SPP will also be entitled to receive SPP Options at the ratio of one (1) SPP Option for every three (3) SPP Shares subscribed under the SPP. The Company will apply to have the SPP Options quoted so that they can be traded on ASX.

The offer of SPP Options will be made separately under a Prospectus which will be sent to Eligible Shareholders who subscribed for SPP Shares as a separate document. Applicants should consider the Prospectus when deciding whether to apply for the SPP Options and must complete the Application Form which accompanies the Prospectus.

Subject to satisfying the ASX listing criteria, the SPP Options are intended to be quoted on ASX and will be issued subject to shareholder approval at the Annual General Meeting planned for mid to late November 2017. It is important to note the SPP Shares will be issued regardless of whether shareholder approval is obtained for the SPP Options. Where approval is not obtained, SPP participants will not be issued the SPP Options nor will they receive a refund of any of their application money or be entitled to be paid any compensation by the Company.

## 7. Company's discretion regarding applications

The Company may accept or reject applications for SPP Shares under the SPP, including if:

(a) an Application Form is incorrectly completed, incomplete or otherwise determined by the Company to be invalid;

(b) you are a Custodian, and we are not satisfied with your certification for any reason;

(c) a cheque is dishonoured or has not been completed correctly;

(d) the correct amount corresponding to your application is not provided with the Application Form or BPAY®;

(e) a BPAY® payment is not received or is incomplete or invalid;

(f) unless you are applying as a Custodian, an applicant appears to be contributing more than $15,000 under the SPP;

(g) an application is received after the time and date specified as the Closing Date. The Company has a discretion whether or not to accept late BPAY® payments, Application Forms and cheques, bank draft or money orders; or

(h) the Company believes you are not an Eligible Shareholder,

and the Company must reject applications if required to do so under ASIC Class Order [CO 09/425].

The Company reserves the right to return your cheque, bank draft or money order or refund your BPAY® payment and not allot you any SPP Shares.

## 8. Offer price

The offer price for each SPP Share is $0.00082. The offer price for the SPP Shares represents a 19.61% discount to the volume weighted average price of the Company's Shares for the five trading day period up to and including 7 September 2017 (the trading day prior to the announcement of the SPP).

## 9. Condition

The issue of the SPP Shares under the SPP and the SPP Options pursuant to the Prospectus is subject to the Company being able to comply with the ASX Listing Rules. The issue of the SPP Options is also subject to shareholder approval at the Annual General Meeting of the Company and meeting ASX's quotation conditions.

## 10. Applications may be scaled back

(a) The Directors reserve the right, in their absolute discretion, to determine the amount the Company raises through the SPP, including the right to scale back applications (**Scaleback**). At this stage the maximum amount raised under the SPP will be capped at a total amount of $448,782 (before costs), though the Company reserves the right to change this cap at its discretion by announcement to ASX.

(b) If a Scaleback produces a fractional number when applied to your parcel, the number of SPP Shares and SPP Options you will be issued will be rounded down.

(c) The Company will refund to you by direct credit deposit to your nominated bank account (where you have given your nomination to the Share Registry) or by cheque, the difference between your application money and the total offer price for the SPP Shares issued to you.

## 11. No other participation costs

No brokerage, commission or other participation costs are payable by you to acquire SPP Shares and SPP Options under the SPP and pursuant to the Prospectus.

## 12. No interest

No interest will be paid on any application money returned to you.

## 13. You cannot transfer your rights under this SPP

Your rights under this offer are personal to you and are non-renounceable. This means you cannot transfer your right to purchase SPP Shares under this SPP or to receive SPP Options under the Prospectus to anyone else.

## 14. Equal ranking

SPP Shares issued under the SPP will, at the time of issue, rank equally with existing fully paid ordinary shares in the Company quoted on ASX, with the same voting rights, dividend rights and other entitlements.

## 15. Significance of applying for SPP Shares

If you apply to participate in the SPP:

(a) you agree that once you have sent in your application or made your BPAY® payment, you cannot withdraw or cancel your application and your application is unconditional;

(b) you confirm that you are an Eligible Shareholder and that you are lawfully permitted to accept the offer under the SPP and participate in the SPP in accordance with these Terms and Conditions and any applicable laws;

(c) you certify that, even if you have received more than one offer under the SPP or received offers in more than one capacity, the total of the application price for the following does not exceed $15,000:

  (i) the SPP Shares the subject of this application;

  (ii) any other Shares applied for under this SPP, or Shares or interests in the class issued under a similar arrangement in the 12 months before this application;

  (iii) any other Shares or interests in the class which you have instructed a Custodian to acquire on your behalf under this SPP; and

  (iv) any other Shares or interests in the class issued to a Custodian under an arrangement similar to this SPP in the 12 months before this application as a result of you instructing the Custodian or another custodian, which resulted in you holding a beneficial interest in the Shares or interests;

(d) if you are a Custodian and are applying for SPP Shares with a total application price exceeding $15,000, subject to you providing a notice in writing to the Company certifying the matters required by ASIC Class Order [CO 09/425] condition 9 (**Custodian Certificate**). Custodians should request a pro forma Custodian Certificate when making an application on behalf of Participating Beneficiaries. To request a Custodian Certificate or if you would like further information on how to apply, you should contact the Share Registry;

(e) you agree to these Terms and Conditions and you agree not to do anything which would be contrary to the spirit, intention or purpose of the SPP;

(f) you agree to be bound by the Constitution of the Company;

(g) you authorise the Company (and its officers or agents) to correct any error or omission in your Application Form and to complete the Application Form by inserting missing details if the Company elects to do so;

(h) you agree that the Company may determine that your Application Form is valid and in accordance with these Terms and Conditions, even if it is incomplete, contains errors or is otherwise defective;

(i) you agree that your application is only effective when received by, or on behalf of, the Company and not when posted;

(j) you accept the risk associated with any refund that may be sent to you by direct credit to your account as nominated to the Share Registry or cheque to your address shown on the Company's register;

(k) you agree that you are responsible for any dishonour fees or other costs which the Company may incur if your cheque for payment is dishonoured;

(l) you agree that the Company and the Share Registry have not provided you with investment or financial product advice, and that they have no obligation to provide advice to you about your decision to apply for and buy SPP Shares or to receive SPP Options; and

(m) you agree that the Company is not liable for any exercise of its discretions referred to in these Terms and Conditions.

## 16. Notice to shareholders in New Zealand

The SPP Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of SPP Shares is being made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2013* (New Zealand).

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Securities Act 1978* (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

## 17. Withdrawal, waiver, suspension and termination

The Company reserves the right to withdraw the offer at any time up to the Issue Date.

The Company reserves the right at any time to:

(a) waive compliance with any provision of these Terms and Conditions;

(b) amend or vary these Terms and Conditions; and

(c) suspend or terminate the SPP.

Any amendment, variation, suspension or termination is binding on all Eligible Shareholders even if the Company does not notify you of the event.

# 18. Use of funds

The funds raised under the SPP and Placement will be used to:

- accelerate the Dibete and Airstrip Copper-Silver drilling program;
- settle outstanding creditors (including Trayburn Pty Ltd a company of which Mr P J Volpe is a Director and substantial shareholder);
- to pay the costs of the SPP and Placement including fees to Xcel Capital Pty Ltd (a company of which Mr E E Bulseco, a director of the Company, is a Director and substantial shareholder) and Foxfire Capital Pty Ltd (a company of which Mr P J Volpe, a director of the Company, is a substantial shareholder and consultant)
- search for other mineral exploration opportunities; and
- general working capital.

# 19. General

## 19.1 Governing Law

These Terms and Conditions are governed by the laws in force in Victoria. By accepting this offer, you submit to the non-exclusive jurisdiction of the courts in Victoria.

## 19.2 Interpretation

The term "these Terms and Conditions" includes terms and conditions in the Application Form and the "SPP Offer at a Glance". The Application Form forms part of this offer document.

## 19.3 Disputes

The Company may settle, in any manner it sees fit, any difficulties, anomalies or disputes which may arise in connection with the operation of the SPP whether generally or in relation to any participant or any application for SPP Shares. The Company's decision is conclusive and binding on all participants and other persons to whom the determination relates. These rights may be exercised by the Company's Board or any delegate of the Board.

## 19.4 Privacy

By receiving completed Application Forms, the Company collects personal information about shareholders. The Company will use this information for the purposes of processing the Application Form and updating the records of the Company. Unless required by the law, the Company will not disclose the personal information for another purpose without the consent of the shareholder. Except as stated by the law, shareholders are able to access, upon request, their personal information held by the Company. For further information about how we manage your personal information or if you wish to obtain a copy of the Company’s Privacy policy, please contact us.

## 19.5 No underwriting

The SPP is not underwritten.

# 20. Risks

There are risks associated with an investment in SPP Shares and SPP Options and the following is a non-exhaustive list of some of the key risks:

## 20.1 Speculative nature of investment

Prospective applicants should be aware that there are risks associated with investments in shares listed on a stock exchange. The value of shares can be expected to fluctuate depending on various factors including general worldwide economic conditions, changes in government policies, investors' perceptions, movements in interest rates and stock markets, variations in the operating costs and costs of capital replacement which the Company may in the future require. Accordingly, assuming that the SPP Shares are granted official quotation by the ASX, the SPP Shares may trade on ASX at a different price than the offer price.

The SPP Shares carry no guarantee with respect to the payment of dividends, returns of capital or their market value. An investment in the Company is speculative. Prospective applicants should carefully consider whether the SPP Shares are a suitable investment for them before deciding to apply. Any prospective applicant in doubt, should consult their professional advisers before deciding whether to invest.

The SPP Options are currently "out of the money" and may remain so until they expire.

The interests of prospective applicants that take up SPP Shares may be subsequently diluted by capital raisings which are not on a pro-rata basis.

The issue of the SPP Options is subject to shareholder approval at the Annual General Meeting of the Company. The SPP Shares will be issued regardless of whether shareholder approval is obtained for the SPP Options. In those circumstances applicants will not be issued the SPP Options nor will they receive a refund of any of their application money or be entitled to be paid any compensation by the Company.

## 20.2 Disclosure risk

The SPP Offer Booklet has been prepared by the Company, and is not a prospectus or disclosure document for the purposes of Chapter 6D of the Corporations Act and has not been lodged with ASIC.

The Company is offering the securities under this SPP Offer Booklet without disclosure to investors under Chapter 6D of the Corporations Act, pursuant to ASIC Class Order [CO 09/425], which allows the Company to offer the SPP Shares to Eligible Shareholders subject to compliance with the conditions set out in the Class Order.

The SPP Offer Booklet does not contain all the information that prospective applicants may require to make an informed decision as to whether or not to apply for SPP Shares. Prospective applicants should consider all relevant facts and circumstances, including their knowledge of the Company and disclosures made to ASX, before deciding whether to apply for SPP Shares.

It is important that you read and understand the information regarding the Company which is publicly available prior to accepting the offer under the SPP.

Publicly available information includes:

- the Annual Report of the Company for the year to 30 June 2017 released to the ASX on 29 September 2017;
- other announcements released to ASX; and
- the 'Cleansing Notice' that the Company lodged with ASX pursuant to ASIC Class Order [CO 09/425].

The above information is available via the ASX website at http://www.asx.com.au/ under code 'BML'.

Neither ASIC nor ASX has any responsibility for the content of this offer document.

### 20.3 Capital, funding and going concern risks

The Company is engaged in mineral exploration and does not have a continuing source of revenue or operating cash flow. Accordingly, the Company can only continue as a going concern if it is able to raise equity or debt capital in the future to fund its operations. Whilst the Company has a track record of raising substantial capital over an extended period of time, there can be no guarantee that the Company will be able to raise additional equity or debt capital and, if the Company is unable to do so, the financial and operating position of the Company may be adversely affected. In that case the value of an investment in the Company may be adversely affected, or at worst, become valueless.

### 20.4 Tenement risks

The Company's subsidiary has interests in tenements in Botswana. Interests in tenements are governed by legislation and are evidenced by the granting of prospecting licences. Each licence is for a specific term and carries with it annual expenditure and reporting commitments as well as other conditions. The subsidiary may lose title to its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments. Furthermore, at the end of the specific term of a licence, whilst it is possible to apply to renew or extend a licence, there can be no guarantee that a renewal or extension of the licence will be obtained. If a licence is not renewed or extended then no further exploration can be undertaken and any expenditure that has been capitalised in the accounts of the Company and its subsidiary will have to be written-off thereby negatively impacting the financial performance and position of the Company and its subsidiary. Recoverability of the carrying amount of exploration assets is dependent on the successful exploration, recovery and sale of base and precious metals.

### 20.5 Profit and dividend risk

The Company is not presently profitable and may never be so. The Company has never paid a dividend and may never do so.

### 20.6 Mining risk

The nature of mineral exploration, mining and mineral processing involves hazards and unexpected events which could result in the Company incurring uninsured losses and/or liabilities to third parties. These could include rock falls, flooding, inclement weather, war or terrorist activity, unfavourable ground conditions or seismic activity,

ore grades being lower than expected and the physical or metallurgical characteristics of the ore being less amenable to mining or treatment than expected. Resources activities can be environmentally sensitive and give rise to substantial costs for environmental rehabilitation, damage control and losses. There is a risk that the results of exploration and the estimates of resources, which are published from time to time, may be incorrect. Any discovery may not be commercially viable or recoverable. Furthermore, it may not be possible to establish a resource within the meaning of the JORC Code and consequently no reserves can be established.

### 20.7 Economic risk

Factors, such as, but not limited to, political movements, stock market trends, interest rates, inflation levels, commodity prices, foreign exchange rates, industrial disruption, environmental impacts, international competition, taxation changes and legislative or regulatory changes, may all have an adverse impact on the Company's operating costs, profit margins and Share price. These factors are beyond the control of the Company and the Company cannot, to any degree of certainty, predict how they will impact the Company.

### 20.8 Regulatory risk

Operations may require approvals from regulatory authorities which may not be forthcoming or which may not be able to be obtained on acceptable terms. There can be no guarantee that any requisite approvals will be obtained and a failure to obtain any such approval would mean that the ability of the Company to develop or operate any project, or potentially acquire any project, may be limited or restricted either in part or absolutely. The regulatory environment for the Company's operations could change in ways that could substantially increase liabilities, tax or costs of compliance thereby materially and adversely affecting the Company's financial position.

### 20.9 Sovereign risk

Exploration activities are carried out in Botswana. Potential risks include changes to the political, legal and fiscal systems which might affect the ownership and operation of the interests in Botswana. This may include changes in exchange control systems, expropriation of mining rights, changes in government and in legislative and regulatory regimes.

## 21. Directory

**Registered Office**
Botswana Metals Limited
Suite 506, Level 5
1 Princess Street
KEW VIC 3101
Telephone: +61 3 9855 1855
Facsimile: +61 3 9855 2885

**Share Registry**
Advanced Share Registry Ltd
110 Stirling Highway
Nedlands WA 6009
Telephone: +61 8 9389 8033
Facsimile: +61 8 9262 3723

**Legal Advisers**
Bellanhouse
Level 19, Alluvion
58 Mounts Bay Road
Perth WA 6000

THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY

THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY

BOTSWANA Metals Limited

ABN: 96 122 995 073

**All Registry communications to:**
Advanced Share Registry Ltd
PO Box 1156
Nedlands WA 6909
Tel: (61 8) 9389 8033
Fax: (61 8) 9262 3723

**Investor website:**
www.advancedshare.com.au

| | |
|---|---|
| **Record Date** | 7pm (AEST) on 7 September 2017 |
| **Offer opens** | 13 October 2017 |
| **Offer closes** | 5pm (AEST) 30 October 2017 |

# SHARE PURCHASE PLAN (SPP) APPLICATION FORM

**How do I apply for ordinary fully paid shares in the capital of Botswana Metals Ltd (Shares) under the SPP?**

- Carefully read the SPP Terms and Conditions accompanying this form and the Important Information on the reverse of this form.
- Decide on the amount of Shares you wish to apply for.
- Pay for the Shares in accordance with the instructions outlined in the SPP Terms and Conditions and the further instructions on the reverse of this form.
  Option 1: Paying by BPAY®.
  Option 2: Paying by cheque, bank draft or money order.
- Payments must be made in Australian dollars.

## PAYMENT OPTIONS

### Option 1: Paying by BPAY®

If paying by BPAY®, you **STILL NEED** to complete or return this Application Form below. By paying by BPAY® you will be deemed to have made the statements and certifications that are set out in the Important Information notice on the reverse of this form.

Payment must be received by the Registry by BPAY® by 5pm (AEST) on 30 October 2017. By paying by BPAY®, you will be deemed to have completed an Application Form for the number of Shares the subject of your application payment. If you make a payment by BPAY® and Botswana Metals Limited (Botswana Metals) receives an amount which is not equal to either A$1,000, A$2,000, A$5,000, A$10,000 or A$15,000, Botswana Metals may round down the dollar amount of Shares that you are applying for to the next lowest parcel at their discretion. Your payment must be for a minimum of A$1,000.

**Telephone & Internet Banking – BPAY®**

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account.
More info: www.bpay.com.au

® Registered to BPAY Pty Ltd ABN 69 079 137 518

### Option 2: Paying by Cheque, Bank Draft or Money Order

If paying by cheque, bank draft or money order complete and return the Application Form with your payment.

A. Tick the box beside the amount you wish to apply for, either A$1,000, A$2,000, A$5,000, A$10,000 or A$15,000.

B. Enter your cheque, bank draft or money order details. The amount of your application payment should be equal to the amount applied for in section A. Cheques, bank drafts or money orders must be drawn on an Australian financial institution in Australian currency, made payable to "**Botswana Metals Limited**" and crossed "**Not Negotiable**". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. If you provide a cheque, bank draft or money order for an amount that is not equal to either A$1,000, A$2,000, A$5,000, A$10,000 or A$15,000, Botswana Metals may round down the dollar amount of Shares that you are applying for to the next lowest parcel at their discretion. Your payment must be for a minimum of A$1,000.

C. Enter your contact telephone number at which we may contact you regarding your application for Shares, if necessary.

**A** **I/we wish to purchase a parcel of Shares (with free-attaching Options which are subject to shareholder approval at the annual general meeting) (see item 10 of the 'Important Information' section on the back of this Application Form) to the dollar amount of** (tick one box only):

☐ A$1,000 **OR** ☐ A$2,000 **OR** ☐ A$5,000 **OR** ☐ A$10,000 **OR** ☐ A$15,000

**B** **Make your cheque, bank draft or money order payable to "Botswana Metals Limited" and crossed "Not Negotiable"**

| Drawer | Cheque Number | BSB Number | Account Number | Amount of Cheque |
|---|---|---|---|---|
| | | | | A$ .00 |

**C** Telephone Number – Business Hours ( )

Telephone Number – After Hours ( )

Contact Name

## IMPORTANT INFORMATION

1. This is an important document which requires your immediate attention. If you are in any doubt as to how to deal with this Application Form, please consult a professional adviser.
2. If you do not wish to purchase Shares under the SPP, there is no need to take action.
3. Please ensure you have read and understood the SPP Terms and Conditions and this Important Information, before you make the application payment by BPAY® or you submit your Application Form with your Application Monies.
4. This SPP is non-renounceable. Applications can only be accepted in the name printed on the Application Form.
5. If you are a custodian, trustee or nominee within the definition of "custodian" in ASIC Class Order [CO 09/425] you must complete and submit an additional certificate certifying the matter sets out in paragraph 9 of ASIC Class Order [CO 09/425] (the "Certificate") before your application for Shares is accepted. The Certificate can be obtained by contacting the Registry: 08 9389 8033 (in Australia) or +61 8 9389 8033 (outside of Australia). Applications received by custodians that are not accompanied by the Certificate will be rejected.
6. For applicants that are not required to complete the Certificate, by submitting the Application Form (with a cheque, bank draft or money order) or making payment by BPAY®, **you certify** that the aggregate of the payment made by you for:
   - the parcel of Shares indicated on the Application Form or BPAY® payment; and
   - any other Shares applied for by you, or which you have instructed a Custodian to acquire on your behalf under the SPP or any other similar arrangement in the 12 months prior to the date of submission of the Application Form or payment by BPAY® does not exceed A$15,000.
7. By submitting the Application Form (with a cheque, bank draft or money order) or making payment by BPAY®, **you will be deemed** to have made the representations and declarations set out in the SPP Terms and Conditions, including in Section 7 thereof.
8. Botswana Metals reserves the right to make amendments to this Application Form where appropriate.
9. Applicants are not assured of receiving the Shares for which they have applied as Botswana Metals may scale back applications in accordance with the SPP Terms and Conditions.
10. The issue of the SPP Options, which are free-attaching to the Shares under the SPP (**SPP Options**), is subject to prior shareholder approval at the Company's annual general meeting anticipated to be held in mid to late November 2017. It is important to note the Shares under the SPP will be issued regardless of whether shareholder approval is obtained for the SPP Options. Where approval is not obtained, SPP participants will not be issued the SPP Options nor will they receive a refund of any of their application money or be entitled to be paid any compensation by the Company.

## How to Lodge your Application Form and Application Monies

The Application Form and the Application Monies must be received by the Registry no later than the closing date shown overleaf. If paying by BPAY® you **STILL NEED** to complete or return the Application Form. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry by the close of the offer.

| **Mailing Address** | **or** | **Hand Delivery** |
|---|---|---|
| Advanced Share Registry | | Advanced Share Registry |
| PO Box 1156 | | 110 Stirling Highway |
| Nedlands WA 6909 | | Nedlands WA 6009 |

Make sure you send your Application Form and the Application Monies allowing enough time for mail delivery, so Advanced Share Registry Services Ltd receives them no later than 5pm (AEST) on 30 October 2017. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. Botswana Metals Limited reserves the right not to process any Application Form and the Application Monies received after the closing date referred to above.

**If you require information on how to complete this Application Form, please contact the Share Registry on: 08 9389 8033 (in Australia) or +61 8 9389 8033 (outside of Australia).**