

**TO: COMPANY ANNOUNCEMENTS OFFICE
ASX LIMITED**

DATE: 10 MARCH 2014

PRIORITY ANNOUNCEMENT

**BOTSWANA GOVERNMENT GRANTS LICENCE EXTENSION TO BML
WHICH TRIGGERS JOINT VENUTRE WITH BCL LIMITED**

The Board of Botswana Metals Limited ("BML") is pleased to announce that the Botswana Government through the Department of Mines has granted an extension to three of BML's exploration licences for a period of two years effective from 1 April 2014.

The granting of the extension to **PL110/94**, **PL111/94** and **PL54/98** now activates a Farm-in Joint Venture agreement with BCL Limited ("BCL") a world class Botswana mining and smelting operation owned by the Botswana Government and Russian giant Norilsk.

Under the agreement BCL can fund up to the completion of a bankable feasibility study ("BFS") to earn a 70% interest in the three prospecting licences ("PLs") that cover approximately 185 km of BML's 1,500 km exploration portfolio.

BML's Chairman Mr Pat Volpe said:

"The Joint Venture partnership makes sense as the BML discovery projects:

- are only 55 km from BCL's nickel-copper mine, process plant and smelter;
- at Maibele North, the Ni + Cu + Platinum Group Elements mineralisation is similar to that being mined by BCL;
- BCL has established crushing, milling, flotation and smelter plants available that can in effect "toll treat" the Joint Venture ore which will significantly reduce any capital outlay in developing the projects;
- BCL has the marketing and sales team in place with international client base to sell the final product;
- BCL will provide BML and the Joint Venture with the expertise, logistics and access to plant and equipment."

BCL also has a first right of refusal to fund the exploration on the balance of the BML exploration portfolio that covers the extension of the Limpopo belt into Eastern Botswana from Zimbabwe.

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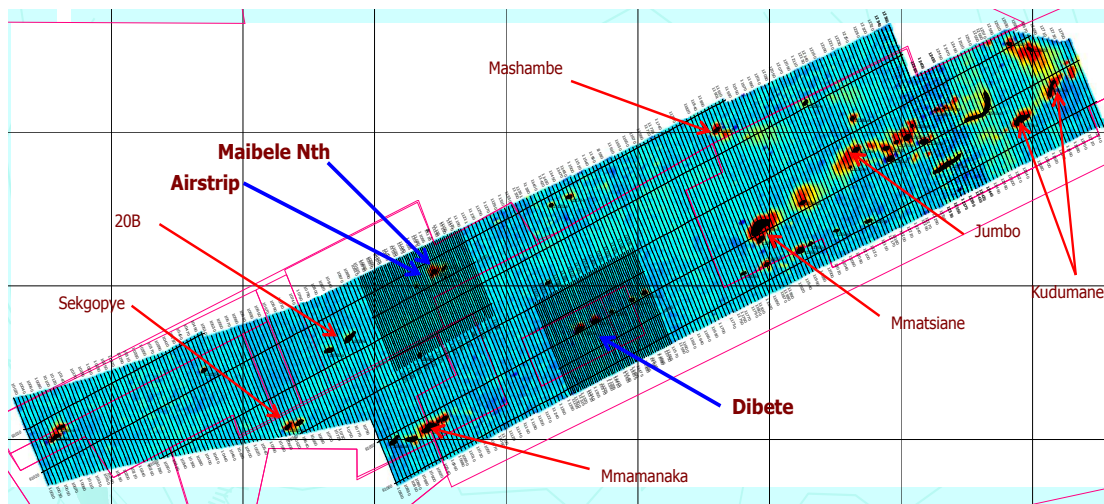
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Both BCL and BML plan to immediately commence exploration and drilling activities on these three prospecting licences:

PL110/94 (Maibele North Project for: Ni + Cu + Platinum Group Elements and Airstrip Project for: Cu + Ag), **PL111/94** (Dibete Project for: Cu + Ag) and **PL54/98** (23 identified VTEM anomalies) with the objective of completing a feasibility study into the potential of mining and trucking ore to the BCL operations at Selebi Phikwe just 55 km to the south of BML's projects.

Figure 1: shows the location of the three discovery projects: Maibele North, Airstrip and Dibete on a VTEM survey which also identified another 23 VTEM anomalies with potential exploration targets. These project areas are covered in three Prospecting Licences extended by the Department of Mines for a further two years to 31 March 2016.



BCL has publicly stated that it has a policy to find business opportunities that can extend the longevity of the mining and smelting operations located at Selebi Phikwe.

BCL employs approximately 4,200 people and supports the township that has a population of around 52,000 people.

Mr Volpe also said:

“The Joint Venture partnership can fast track our efforts towards potential mining.”

“BML's projects provide the potential for additional ore particularly for Nickel and Copper that can be trucked to the BCL plant which has been operating at Selebi Phikwe since the 1960s.”

“Of the three BML projects, the Maibele North discovery will be the priority for immediate exploration and drilling as previous drilling intercepted nickel mineralisation at around a depth of 50 m.”

“The proximity of BCL's operation and infrastructure at Selebi Phikwe will significantly reduce the capital and operating cost of any potential mine at Maibele North and at our other projects at Airstrip Copper and Dibete.”

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Details on the BCL Farm-In Joint Venture

BCL Investments (Pty) Limited, under the joint venture agreement, will spend an initial US\$4 million on a drilling program to earn 40% of the projects over these areas. BCL has the option to continue to fund the projects to the completion of a BFS to earn a 70% interest.

At that point BCL will have the off-take rights at commercial prices, to any ore mined. It is planned to truck ore to the BCL smelter operations at Selebi Phikwe for processing, which is situated 55 km to the southwest of our projects.

BML will retain a 30% interest after the BFS is completed, at which time the management of the projects will be transferred to BCL.

Pat Volpe

Chairman

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About BCL

BCL is a mining and smelting company owned by the Botswana Government (94%) and Norilsk Nickel (6%). The company commenced operations in 1959 and is now one of the largest employers in Botswana.

BCL produces two types of finished matte containing nickel, copper and cobalt, and precious and platinum group metals to a smaller extent. The Selebi Phikwe ore deposits are owned and operated by BCL.

The Selebi copper and nickel ore body was discovered in 1963, and higher-grade ore was discovered at Phikwe in 1966. Mining of nickel-copper ore commenced in 1973 and since 1980, BCL's smelter has operated at an annual production rate of approximately 50,000 tonnes of nickel-copper matte.

BCL Investments (Pty) Ltd, a wholly owned subsidiary of BCL, has entered into the joint venture agreement with BML.

About BML

BML is listed on the Australian Securities Exchange (ASX) and its stock code (ticker) is BML. BML is a mineral exploration company fully focused on its portfolio of exploration tenements covering approximately 1,500 square km all located in Botswana.

BML's objective is to discover an economic base and precious metals resource in eastern Botswana on the well-known Limpopo Belt that extends into Botswana from its neighbouring country Zimbabwe.

Recent exploration has resulted in three discoveries of Nickel-Copper and Copper-Silver mineralisation known as Airstrip Copper, Maibele North and Dibete. The Ni-Cu deposit at

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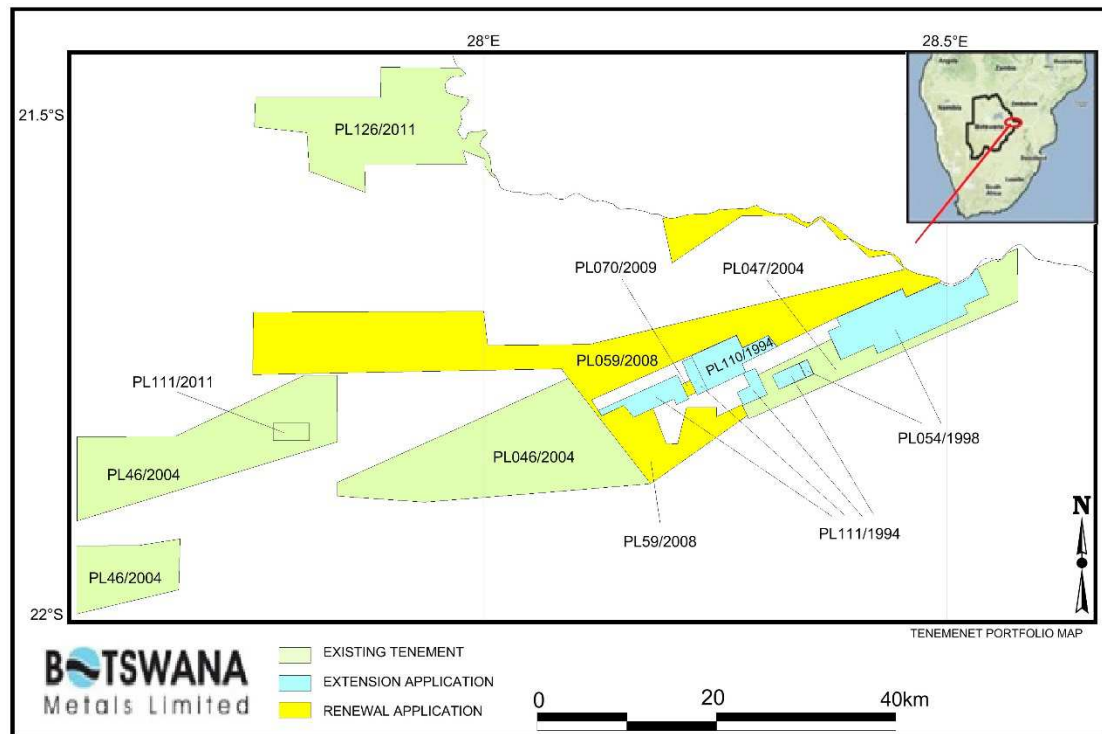
Maibele North is just east of Airstrip Copper whilst Dibete is 7 km to the south of Airstrip Copper.

To the east of these discoveries, a recent VTEM program has identified at least 23 new VTEM anomalies that are planned to be part of the Company's exploration focus in the future.

BML has solid logistical support and the projects benefit from excellent infrastructure. The Company is managed by experienced personnel who have many years' experience in Botswana as well as other African countries. Botswana is considered to be one of the most advanced African countries in respect to its mining and exploration laws, and for safety and education where English is spoken freely.

BML has offices in Australia (Melbourne) and Botswana (at Selebi Phikwe).

Figure 2 Map of BML exploration portfolio. Highlighted in blue are the extended PLs that are covered in the Joint venture agreement with BCL Limited.



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