BOTSWANA Metals Limited

ABN 96 122 995 073

**DATE:** **9 FEBRUARY 2015** **ASX Code: BML**

**TO:** **COMPANY ANNOUNCEMENTS OFFICE**
**ASX LIMITED**

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## BCL GIVES GO AHEAD TO EXPAND POTENTIAL MAIBELE RESOURCE:

- **DHEM (DOWN HOLE ELECTROMAGNETICS) COMMENCES AT MAIBELE FOR NEW DRILL TARGETS OUTSIDE KNOWN RESOURCE**

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**The Board of Botswana Metals Limited (ASX: BML) is pleased to update the market on the progress of its Joint Venture activities planned for the March 2015 quarter.**

## Maibele North (Nickel and Copper)

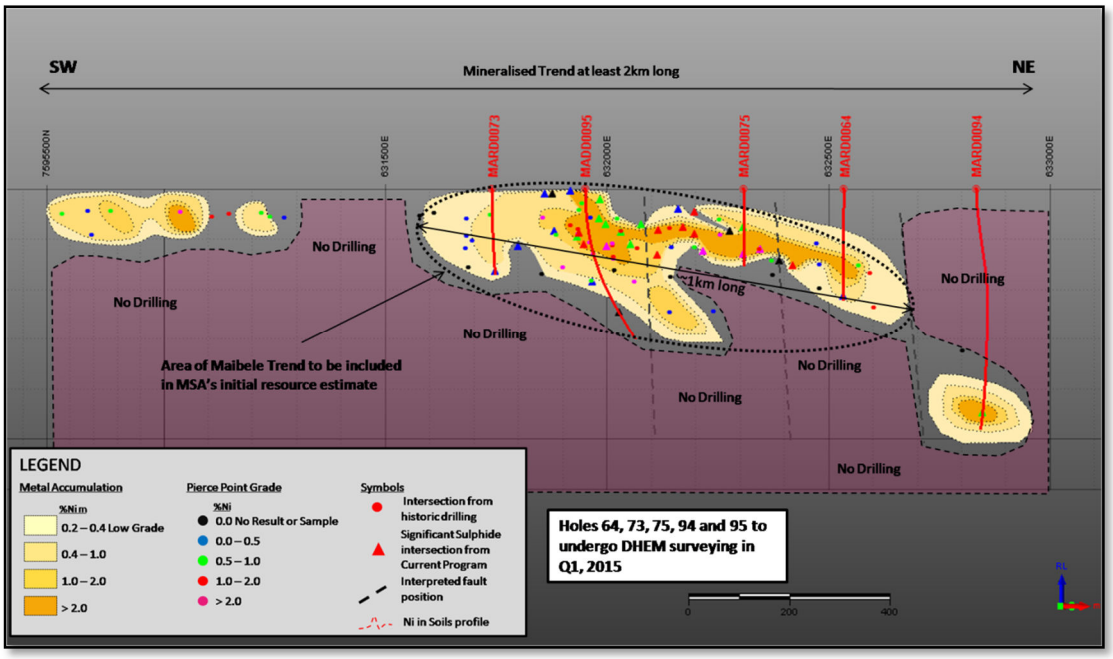


***Figure 1:*** *Long Section view of the Maibele North mineralisation showing all intersection points from past and current drilling, the 5 holes selected for down hole EM surveying(Red traces) and the area expected to be included in MSA's resource calculation (black dashed circle). The brown/yellow shaded area represents Ni accumulation (Ni% x m) and the pierce points are coloured by weighted average Ni%. The shaded pink shape represents areas around the known mineralisation that have received <u>no</u> drilling and clearly shows the potential to discover new mineralisation.*


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Following the completion of the 2014 infill and metallurgical drill program at Maibele North Nickel and Copper project, the Joint Venture partners (BCL and BML) have agreed to:

- Complete a maiden resource calculation in the March 2015 quarter focused on the circled area around the main drilled-out zone of mineralisation at Maibele North (see Figure 1). MSA Group (MSA) has already commenced the JORC- compliant resource calculation process.
- MSA has also been commissioned to complete a Scoping Study at Maibele North to evaluate the economics of mining and processing the ore at BCL's Selebi Phikwe plant. If this study is positive, a Feasibility Study will be completed as part of the requirement for a Mining Licence application.
- Complete metallurgical testing in first quarter of 2015 as part of the Scoping Study to determine process recoveries and costs.
- Commence a new drill program targeted at extending the known mineralisation in the areas still open to the west, east and at depth at Maibele North by:
    - Carrying out down hole EM (DHEM), commencing with the five selected holes from the recent 2014 drilling (Figure1), to identify off-hole conductors that warrant drilling.
    - The DHEM study is expected to be completed in the March 2015 quarter. Initial DHEM will focus on hole 94 to the east of the main Maibele North ore body.
    - This discovery hole has defined a new untested area open at depth to the south and to the east. Drilling is expected to commence during the March 2015 quarter.

**PL54.98 Takane**

- Focus on finding drill targets over the initial six VTEM anomalies selected in 2014 for an aggressive exploration program that will include:
    - Ground exploration including mapping, soil geochemistry, ground TDEM over the soil and VTEM anomalies followed up by trenching to identify potential new drill targets for Nickel, Copper and Gold.

Details:

**DOWN HOLE EM COMMENCES AT MAIBELE NORTH**

**Maibele North**

The Maibele North Ni+Cu+Co+PGE deposit was the focus of an intense drilling campaign in 2014 designed to enable a maiden JORC-compliant resource calculation to be undertaken on the project. The program successfully intersected thick zones of Ni+Cu+Co+PGE mineralisation as well as discovering a new zone of deep mineralisation over 250m east of the known orebody. BML's JV partner, BCL Limited, has commissioned MSA consulting of South Africa to undertake a resource estimation and coincident Scoping Study during the first quarter of

2015. The results of this will guide the next steps towards a feasibility study and eventual mining licence application.

In addition to this work, BCL has commenced follow up ground work on the deposit, including:

- Detailed ground magnetic survey designed to further outline geology and structural controls on mineralisation,
- Down Hole Electromagnetic (DHEM) on a selection of five holes to help identify deep sulphide targets for future drill testing
- A series of follow up drill holes above and along strike of MARD0094 in an effort to generate additional intersections into the exciting new zone of mineralisation discovered late in 2014.

**Progress**

The ground magnetic survey has been completed and the data collected is currently being processed. The ground magnetometer, which belongs to BCL, has been mobilised to PL54 where it will be used to survey the six high priority targets identified in the 2014 review.

Five holes, MARD0063, 0073, 0075, 0094 and 0095 have been selected for DHEM surveying. The holes selected provide lateral coverage across the strike of the known mineralisation as well as allowing the survey to be undertaken at a depth suitable to assess the potential beneath the area of defined mineralisation.

It should be noted that the discovery of the new zone in MARD0094 was a result of drilling an off-hole DHEM conductor recognised from an earlier DHEM survey in historic hole MADD0025. MADD0025 contained only minor disseminated sulphide mineralisation but indicated that the mineralising processes were still active at depth. All of the deeper holes at Maibele North have intersected sulphide mineralisation and demonstrate that the mineral system is still present at depth below the known body of mineralisation.

The discovery of significant mineralisation beneath MADD0025 shows that there is strong potential for significant mineralisation beneath the known extents of the main body of mineralisation and also along strike to the east and west. DHEM has been proven as a successful technique in detecting deeper conductive sulphide targets in the Maibele North mineralised trend.

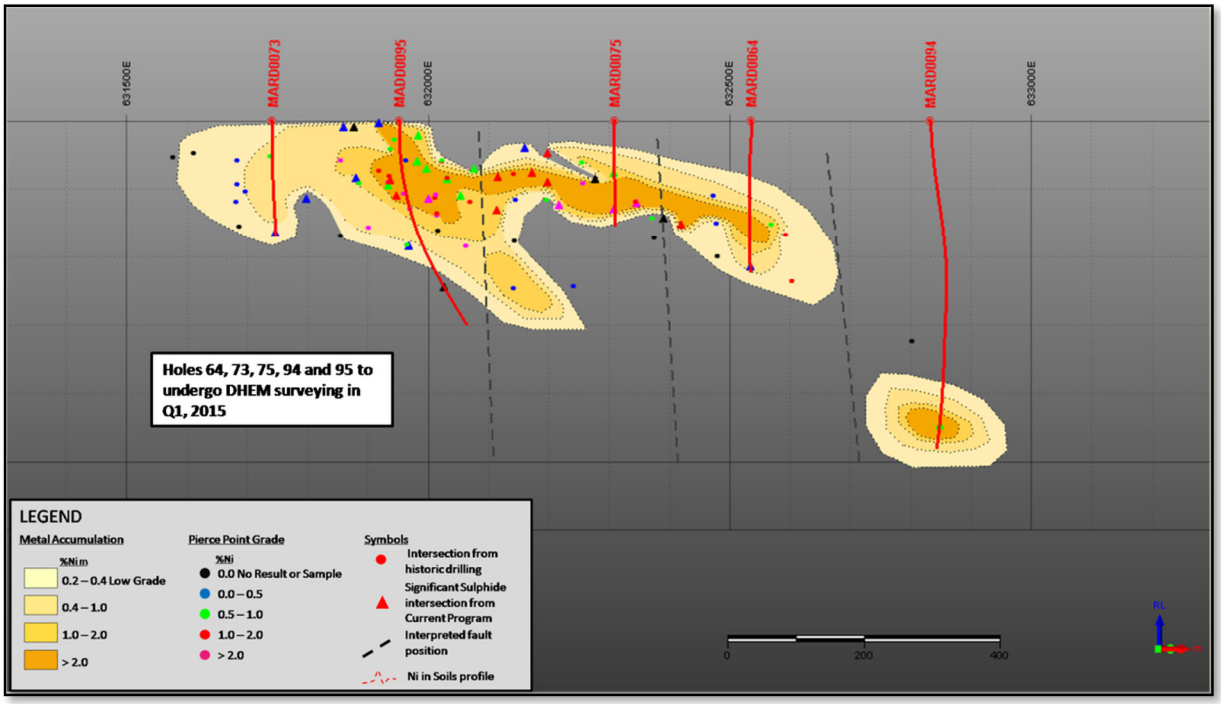


***Figure 2:*** *Long Section view of the Maibele North mineralisation showing the five holes selected for down hole EM (electro magnetics) surveying. The results should provide valuable information on potential new drill targets that will be drilled with the aim of extending the known Maibele North mineralisation which is open at depth and to the east and to the west*

The Joint Venture partners have recognised the importance of the discovery in MARD0094 and have planned a series of drill holes to follow up above and along strike both to the east and west in an effort to further map out the extents and metal tenor of the new zone. This intersection has the potential to add significant tonnes to the Maibele North orebody and the new drill holes will commence immediately following the completion of the DHEM in MARD0094.

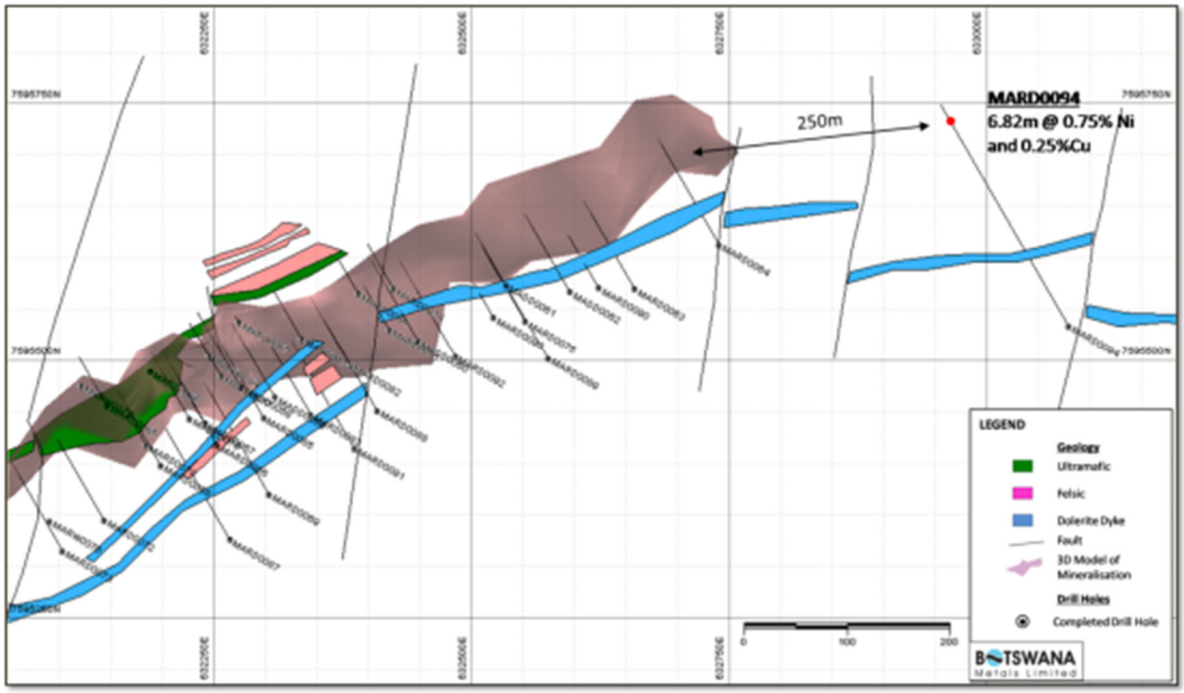


***Figure 3:*** *Collar Plan of all holes from the recent drill program. The shaded pink shape represent the 3D modelled body of sulphide mineralisation*

**MSA RESOURCE CALCULATION**

The resource calculation has commenced and is being prepared by independent consultant MSA from South Africa.

The resource will be calculated around the area shown in Figure 4 being the historical known drilled mineralisation which has undergone infill drilling and metallurgical drilling

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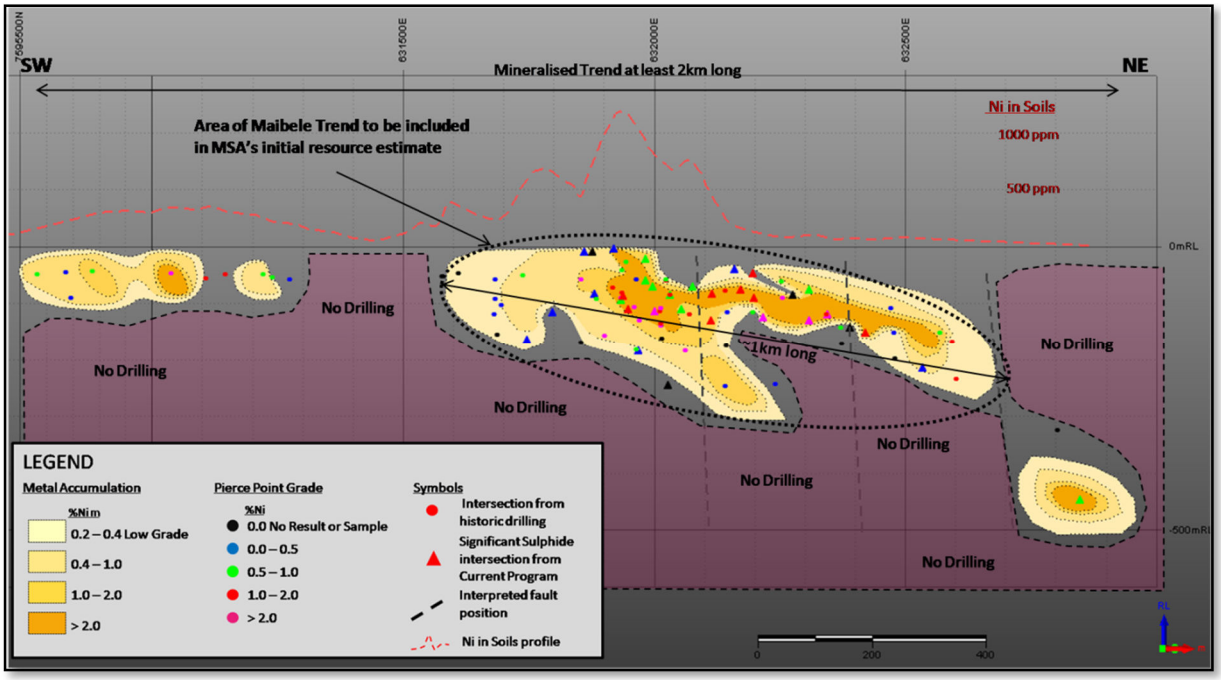


***Figure 4:*** *Long Section view of the Maibele North mineralisation showing all intersection points from past and current drilling. The brown/yellow shaded area represents Ni accumulation (Ni% x m) and the pierce points are coloured by weighted average Ni%. The shaded purple shape represents areas around the known mineralisation that have not been drilled. It is expected that the circled area will be the focus of the initial JORC compliant resource calculation by MSA.*

**Regional Exploration**

The regional exploration on PL54/98 commenced late in 2014 with the completion of infill soil sampling across the six high priority targets identified on the tenement. Soil samples were initially analysed using a handheld XRF machine and will be fully processed once follow up laboratory results are received. The next phase of exploration will include ground-based Time Domain Electromagnetic (TDEM) surveying, geological mapping and trenching. The aim of the program is to identify conductive zones coincident with favourable geology and geochemistry indicative of Ni-sulphide mineralisation and enable the design of effective drill programs.

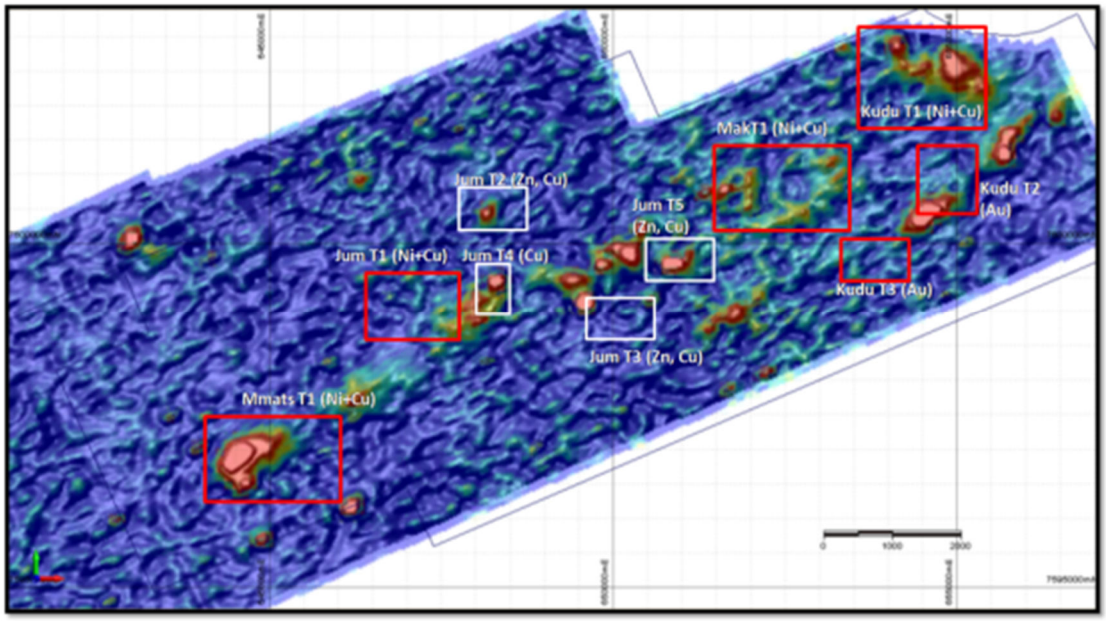


***Figure 5:*** *Location of the 10 target areas identified on PL54/98, including the 6 priority areas (Red Squares) that are the focus of current exploration programs, over the regional VTEM image.*

**Pat Volpe**
**Chairman**

*The information in this report that relates to Exploration Results is based on, and fairly represents, information and supporting documentation compiled by BML staff on site and provided to Mr Steve Groves who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Groves is a consulting geologist to BML and has previously been employed as the Exploration Manager at BML. Mr Groves has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Groves consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.*

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