BOTSWANA Metals Limited

ABN 96 122 995 073

ASX Code: BML

TO: **COMPANY ANNOUNCEMENTS OFFICE**
ASX LIMITED

DATE: **12 OCTOBER 2016**

SIGNIFICANT SULPHIDES INTERSECTED IN EVERY HOLE IN REGIONAL DRILLING AT TAKANE

HEADLINES:

- **Regional drill program across PL 54/98 – Takane is complete.**
- **The final hole, at the Kudu 1 target, intersected three significant sulphide zones: ~3m at 175m depth, 0.5m at ~370m and ~1m at 382 m depth down hole.**
- **The completed program totalled three holes for over 1,200m of diamond drilling.**
- **Every hole intersected significant zones of disseminated to semi-massive pyrrhotite, pyrite and chalcopyrite (copper sulphide).**
- **Effectiveness of SQUID EM technology in locating sulphides is once again demonstrated.**
- **A program of down hole EM surveying for each of the three holes has commenced.**



Figure 1: Section of core from the upper sulphide zone from 175m in KNDD001. Note the zones of semi-massive pyrrhotite associated with ultramafic rock types. This style of sulphide mineralisation is visually similar to the host sulphides of Ni+Cu+Co+PGEs at the Maibele North Resource some 23km to the southwest.

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Mailing Address Suite 3, 16 Cotham Road, Kew, Victoria 3101
Registered Office Suite 506, Level 5, 1 Princess Street, Kew, Victoria 3101
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The Board of Botswana Metals ("BML") is pleased to advise that the final hole of the three-hole drilling program at PL 54/98 – Takane has been completed. The hole, located at the Kudu 1 target (Figures 2 and 3), successfully intersected three significant sulphide zones at 175m, 370m and 382m depth down hole. All zones contain disseminated, net-textured and semi-massive sulphides containing chalcopyrite (Copper sulphide) and pyrrhotite (iron sulphides associated with nickel mineralisation at Maibele North). The hole was designed to test a Ni-sulphide target marked by prominent VTEM anomalies and a corresponding SQUID EM conductor coincident with a large ultramafic intrusion and anomalous Cu and Ni soil geochemistry (see ASX announcement 15/08/2016).

All of the sulphide zones from the three completed holes are currently being prepared for sample analysis at an independent laboratory (SGS South Africa) in South Africa.

A program of down hole EM surveying for each of the three holes has commenced. This will enable more accurate modelling of the target conductors and will highlight further targets for follow up drilling.

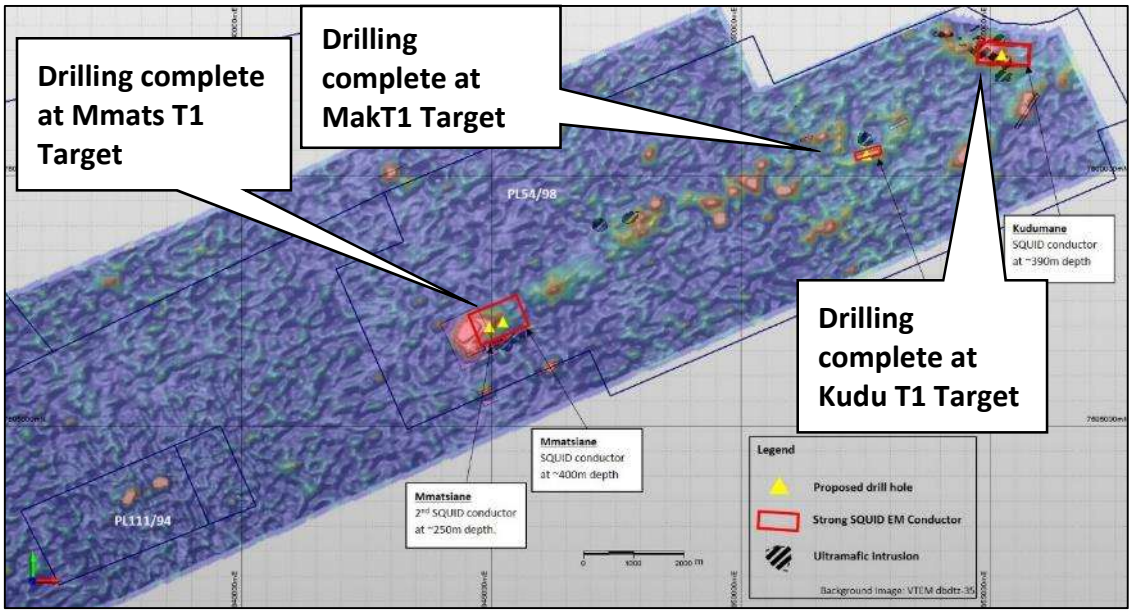

Figure 2: Regional plan view of PL 54/98 showing the SQUID EM conductors (Red Rectangles) to be targeted by diamond drilling (Holes indicated by yellow triangles).

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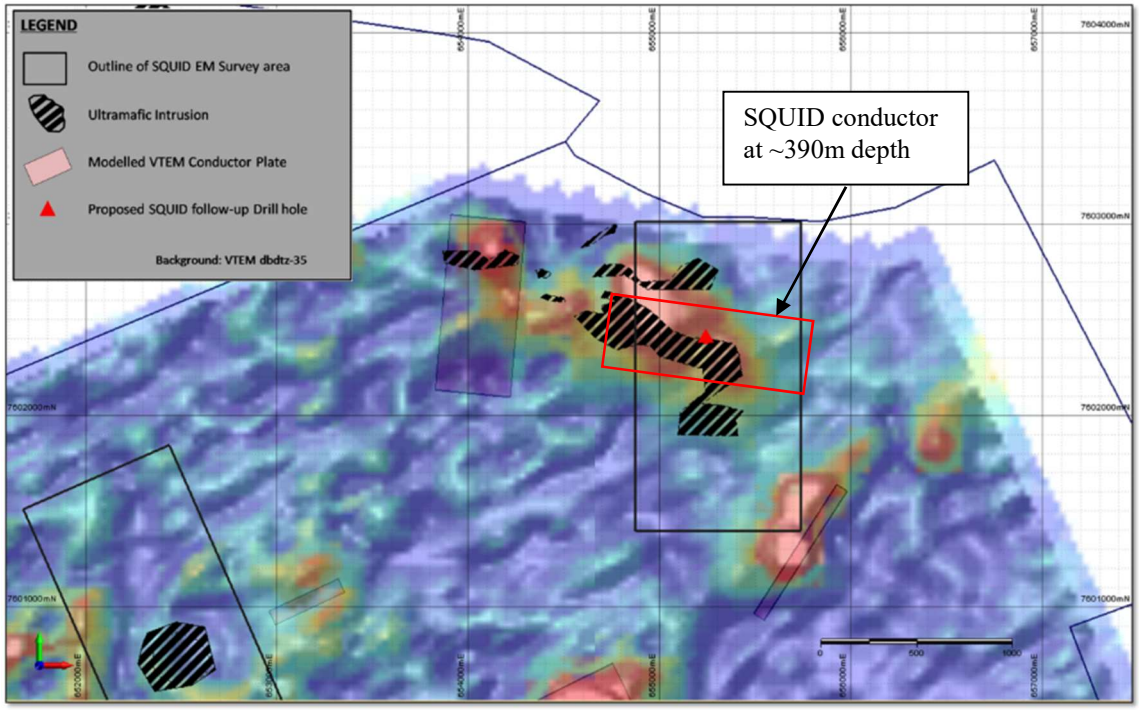

Figure 3: Kudu T1 Prospect: Location of the SQUID Survey (black rectangle) in relation to the VTEM anomalies (red blobs), VTEM conductor plates (faint pink rectangles) and mapped ultramafic bodies (black hashed shape). The red triangle indicates the position of the recently completed drill hole. Note the size of the conductive anomalies coincident with the ultramafic intrusions and that the SQUID survey only covered a portion of the prospective terrain.

The core is being prepared for analysis to determine if the sulphides are carrying nickel mineralisation and the market will be kept informed as further results from the sample analysis and down hole EM program are received.

Patrick 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 Geoscientists. 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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APPENDIX 1 – JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

CRITERIA	JORC Code Explanation	Commentary
Sampling techniques	- *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* - *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* - *Aspects of the determination of mineralisation that are Material to the Public Report.* - *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• **Drill core is arranged neatly in 1m core trays for HQ (typically weathered rocks above the limit of oxidation) and 1.5m core trays for NQ core from competent rock. Core is marked at every metre along an orientation line.** • **Samples for independent laboratory analysis are collected at appropriate geological and or mineralization boundaries and are generally 1m or less in width.** • **Spot analysis using an XRF analyser has been undertaken at every 10cm interval across the sulphide mineralised intervals at the BML site office in Tshokwe using a portable XRF analyzer (INNOV-X Delta Premium). Industry standards and blanks are used to monitor the calibration of the instrument.** • **This information is used as a guide to the potential Ni tenor of the sulphides and primarily used to determine appropriate sampling intervals for independent Laboratory analysis**
Drilling techniques	- *Drill type (eg core, reverse circulation ,open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• **The holes referred to in this release have been drilled by Reverse Circulation or HQ Diamond core through the weathered rock and NQ Diamond Core through unweathered rock and the mineralized zones.** • **All core drilling is standard tube method.** • **All competent core from the current program is oriented using a spear orientation method.** • **Historic holes have been either NQ core, HQ core or Reverse Circulation percussion methods.**
Drill sample recovery	- *Method of recording and assessing core and chip sample recoveries and results assessed.* - *Measures taken to maximise sample recovery and ensure representative*	• **The core is measured after every run, and the results are compared to the actual run to calculate core recoveries. Core is handled with care to avoid breakage and**

CRITERIA	JORC Code Explanation	Commentary
	nature of the samples. - *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	**crumbling. Core is washed and laid onto holding core trays.** • **HQ core is used on friable ground, rotation speeds and water pressure are monitored to avoid destroying the core. A soft rubber mallet is used to drive out core from the barrel.** • **No significant core loss or recovery issues have been recorded in the current drill program.**
Logging	- *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* - *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* - *The total length and percentage of the relevant intersections logged.*	• **All core will be photographed with beginning, ending and intermediate intervals clearly marked on each box. Core will be photographed prior to sampling or any other procedures that may disturb the initial orientation of the core.** • **The core will be logged in appropriate detail including identification of lithology, structure, alteration, mineralization and other notable characteristics.** • **Percentages of core recovery and Rock Quality Descriptor (RQD) will be included in the log. The core recovery will be calculated based on each drill run (interval). The RQD calculation will be based on the total length of core sections recovered that are greater than 2.0 times the core diameter for each drill run or interval.**
Sub-sampling techniques and sample preparation	- *If core, whether cut or sawn and whether quarter, half or all core taken.* - *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* - *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* - *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* - *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* - *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• **Core is cut along the marked orientation line, half core is sampled for metallurgical test work. The remaining half core is cut for quarter core for lab assaying and storage.** • **No field duplicates were taken.** • **For lab dispatch, blanks and certified reference material are inserted at every 5th sample for QAQC.**

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Quality of assay data and laboratory tests	- *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* - *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* - *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	**SGS South Africa** • **For all samples the analytical techniques used a four acid digest multi element suite with ICP/OES or ICP/MS finish (25 gram or 50 gram FA/AAS for precious metals). The acids used are hydrofluoric, nitric, perchloric and hydrochloric acids, suitable for silica based samples. The method approaches total dissolution of most minerals. Total sulphur is assayed by combustion furnace.** • **Platinum group elements and gold to be assayed by Fire Assay following either Pb or NiS collection followed by ICP-MS finish.** **BCL Laboratory - Selebi Phikwe** • **All samples to be assayed for Ni and Cu via Aqua Regia and Atomic Absorption Finish to a detection limit of 0.01%** • **The laboratory at the Selebi Phiwke Ni-Cu mine is currently un-certified.** **BCL Laboratory – Tati Ni** • **All samples to be assayed for Ni and Cu via XRF (X-ray Fluorescence) to a detection limit of 0.01% (Method PAS 10)** • **The BCL Limited laboratory at Tati-Ni is SANAS accredited to the ISO 17025 international standard.**
Verification of sampling and assaying	- *The verification of significant intersections by either independent or alternative company personnel.* - *The use of twinned holes.* - *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* - *Discuss any adjustment to assay data.*	• **The data were examined by the senior personnel on site.** • **The primary data were audited and verified and then stored in a SQL relational data base.** • **No data have been adjusted.**

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Location of data points	- *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* - *Specification of the grid system used.* - *Quality and adequacy of topographic control.*	• **The data were recorded in longitude/latitude WGS84.** • **The terrain is largely flat.** • **Down hole surveys are carried out on all holes at 4m intervals using a Flexit survey tool.** • **N/A – All historic drillholes have been surveyed using DGPS with an accuracy of <1m.**
Data spacing and distribution	- *Data spacing for reporting of Exploration Results.* - *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* - *Whether sample compositing has been applied.*	• **The current drilling is designed to test geophysical targets (EM conductors) for the presence of sulphide mineralization in new regional target areas** • **The drill hole spacing is deemed appropriate for achieving the objectives of the program**
Orientation of data in relation to geological structure	- *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* - *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• **The program involves single vertical drill holes into the modeled flat-lying conductors**
Sample security	- *The measures taken to ensure sample security.*	• **Samples were taken and transported by BCL personnel to the BCL site office Prior to XRF analyses the samples are locked in the BCL office.**
Audits or reviews	- *The results of any audits or reviews of sampling techniques and data.*	• **The data were examined by the independent consultant Mr Steve Groves of Sydney in Australia and considered appropriate.**

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Section 2 Reporting of Exploration Results

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Mineral tenement and land tenure status	- *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* - *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• **The results reported in this announcement are located in PL 54/98 which is a granted Exploration Licence held by African Metals Limited, a 100% owned subsidiary of Botswana Metals Limited.** • **PL 54/98 is subject to a Joint Venture agreement with BCL Limited.** • **PL 54/98 was recently extended for a further two years and is in good standing.**
Exploration done by other parties	- *Acknowledgment and appraisal of exploration by other parties.*	• **Interpretations and conclusions in this announcement refer in part to results generated by historic exploration work conducted by Roan Selection Trust, Falconbridge, Cardia Mining and Botswana Metals.** • **Botswana Metals considers all previous exploration work to have been undertaken to an appropriate professional standard.**
Geology	- *Deposit type, geological setting and style of mineralisation.*	• **The Takane project area is hosted within the Magogaphate Shear Zone - a major geological structural feature, generally considered to mark the boundary between the Archaean aged (>2.5 billion year old) Zimbabwean Craton and the Limpopo Belt or Limpopo Mobile Zone (LMZ). . The nickel-copper deposits of Selebi Phikwe lie within the northern part of the Central Zone of the Limpopo Mobile Belt, whilst the nickel copper deposits of Phoenix, Selkirk and Tekwane lie in the Zimbabwean Craton. The Central Zone of the LMZ comprises variably deformed banded gneisses and granitic gneisses, infolded amphibolites and ultramafic intrusions that that have the potential to host Ni-Cu sulphide mineralization.**
Drill hole Information	- *A summary of all information material to the understanding of the exploration*	• **A table detailing collar coordinates and relevant directional information**

CRITERIA	JORC Code Explanation	Commentary
	results including a tabulation of the following information for all material drill holes: ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* - *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	**of the current drill program is included in the release.**
Data aggregation methods	- *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* - *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* - *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• **N/A**
Relationship between mineralisation widths and intercept lengths	- *These relationships are particularly important in the reporting of Exploration Results.* - *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* - *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• **The precise geometry of the mineralization with respect to the drill hole angle is not known and thus, all drill hole results are reported as down hole length.** • **The drill holes in the current program are vertical reconnaissance holes based on the modelled EM conductor targets. The orientation of the mineralization is unknown and true width is unknown.** • **Geotechnical logging is under way to address the geometry of mineralisation.**

CRITERIA	JORC Code Explanation	Commentary
Diagrams	- *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• **Plan view and/or cross section maps of the reported drill holes are included in this announcement.**
Balanced reporting	- *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• **N/A**
Other substantive exploration data	- *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• **There is no other material exploration data that have not been previously reported.**
Further work	- *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* - *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• **The Takane Project is at a regional greenfields exploration phase and the objective of the current drill program is to establish the likelihood of Ni-sulphide mineralization to occur on the tenement.** • **Should this concept be proven, then work consisting of follow up geophysics and further drill testing will ensue in an effort to establish Ni-sulphide resources in the area**

APPENDIX 2 – Collar Details Drill Program

Table 1: Drill hole details for the program

Prospect	East	North	Dip	Depth	Comment
Kudu1	655239E	7602406N	-90	425m	Very large conductor with EM response reminiscent of pyrrhotite
MKDD001	652533E	7600410N	-90	300m	Very strong conductor
MTDD003	644976E	7596981N	-90	425m	Very large, strong conductor
Mmats 1	645245E	7597068N	-90	450m	Same conductor as above – Not drilled at this stage