BOTSWANA Metals Limited

ABN 96 122 995 073

ASX Code: BML

TO: **COMPANY ANNOUNCEMENTS OFFICE**
ASX LIMITED

DATE: **30 OCTOBER 2015**

QUARTERLY REPORT TO 30 SEPTEMBER 2015

Highlights:

- **Massive sulphides intersected directly along strike from Maibele North orebody.**
- **New sulphide zone associated with SQUID EM conductors discovered 400m East of Maibele North.**
- **Over 9000m of drilling completed during the quarter.**
- **Consultants appointed to undertake Feasibility Study and EIA at Maibele North.**
- **Six high-quality SQUID EM conductors discovered on BML's 100% owned PL 59/2008.**
- **Drilling commences on BML's 100% Owned PL 59/2008:**
  - **First hole complete subsequent to end of quarter.**
  - **18m disseminated sulphides intersected in first hole.**

Cash Position:

Cash balance at 30 September 2015 was ~$539,000.

An Appendix 5B report is attached.

Operational Highlights for the quarter.

BML has four focused business objectives:

1. **PL 110/94 MAIBELE NORTH:**
   TO EXPAND KNOWN RESOURCE FOR POTENTIAL MINING.

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- Grow and reclassify the current JORC resource status from inferred to indicated by infill drilling and metallurgical drilling.
- Extend the known resource by step out drilling targeting new SQUID TDEM and DHEM conductor targets.

Action: 12,500m drill program continued during the quarter.

- **Numerous significant sulphide intersections returned both from within, and along strike of the orebody.**
- Independent consultant appointed to undertake Feasibility Study.

2. PL 54/98 TAKANE:

TO EXPLORE THE UNTAPPED POTENTIAL FOR SEVERAL NEW DISCOVERIES

Action:

- 23 VTEM anomalies prioritised down to 4 for immediate exploration.
- SQUID and VTEM targets identified for future drill testing.

The BML board believes this area has the potential to be declared a new mineralised province located along the well-known Limpopo Belt as it extends into Botswana on its eastern border from Zimbabwe.

3. PL 59/2008: 100% OWNED BY BML

TO EXPLORE FOR THE EASTERN EXTENSION TO MAIBELE NORTH ORE BODY.

Action:

- Anomalies identified are within 4km and along strike of the Maibele North orebody (see Figure 10).
- Ground SQUID EM survey completed over 3 prospects along strike from Maibele North.
- 6 quality conductors modelled and drill holes proposed.
- Three Hole, 775m drill program commenced at Maibele North Extension in October.
- First hole intersected 18m of disseminated sulphides in target zone.

4. BML EXPLORATION PROFOLIO:

TO GROW THE CURRENT PORTFOLIO FOCUSING ON THE EASTERN BOARDER OF BOTSWANA ALONG THE LIMPOPO BELT.

- 1000sq km under licence of which 184sq km under JV with BCL Limited.

Action:

- 3000sq km of new PL applications were lodged in 2015 and are pending processing by the DOM.
- During the quarter work continued on BML's 100% owned PL 59/2008.

BML is committed to its total exploration portfolio of which **184km** is under JV with BCL Limited.

In 2015 BML made applications for several new prospecting licences that, if granted, will significantly increase the total exploration area secured by BML under its management.

The Board strategy is to secure the most prospective ground along the Limpopo belt where BML has accumulated in-depth geological and geophysical knowledge during nearly 10 years of exploration (see Figure 2).

Progress achieved in the quarter to 30 September 2015:

SUMMARY

PL 110/94: Maibele North JV with BCL Limited

The JV continued the 12,500m of drilling program at Maibele North with a total of 9164m completed to date.

- To date 49 holes have been completed or are currently underway.
- All step out holes (12) to date have been designed to test SQUID TDEM and/or DHEM conductors and 11 have so far intersected significant sulphides outside the existing resource.

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Step out holes intersected significant sulphides:

- 200m beneath the known ore body.
- 250m to the east of the known ore body.
- 430m to the north-east of the known ore body.

Step out holes have intersected massive sulphides

- 80 and 160m directly along strike to the east of Maibele North orebody.

Step out Highlights:

- 0.6m massive sulphides (MARD0116).
- 3.6 m – Massive and strongly disseminated sulphides (MARD0129)
  Including:
  - 1.39m cumulative thickness massive sulphide (1.04m + 0.35m).

- 7.4m - Strongly disseminated and stringer sulphides (MARD0140)
  Including:
  - 0.1m massive sulphide.

- 11.06 m – strongly disseminated and stringer sulphides (MARD0143).
- 19.19m disseminated and stringer sulphides (MARD0112).
- 9.85 m disseminated and stringer sulphides (MARD0113).

The drilling program also continues to confirm:

- Numerous thick sulphide intersections within the existing orebody.
- Highly encouraging sulphide intersections at SQUID EM conductor targets along strike and adjacent to existing orebody.
- Evidence that the mineralising system continues at depth as well as along strike to the east and west.

PL 54/98: Takane JV with BCL Limited

- SQUID TDEM and ground magnetic targets identified during the June 2015 quarter were reviewed and potential drill holes planned.

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PL 59/2008: Shashe South

- BML contracted the services of a South African company, Spectral Geophysics who has performed all the SQUID EM for the JV ground, to conduct SQUID EM surveying on BML's 100% PL 59/2008.
- The SQUID program was completed during the quarter at 3 prospects directly along strike from Maibele North.
- A total of 6 conductors indicative of potential Ni-sulphide mineralisation were identified and a series of drill holes designed to test these.
- Drilling commenced in early October with a 3 hole program for 775m at Maibele North Extension to test three strong SQUID EM conductors.
- 18m disseminated sulphides intersected in first hole.

Corporate: Cash Position and Capital Raising

As at 30 September 2015, cash at bank was ~$539,000. During the quarter the Company completed a Share Purchase Plan.

Exploration Activities for the September 2015 quarter:

Location Map and Schedule of Prospecting Licences held by BML.

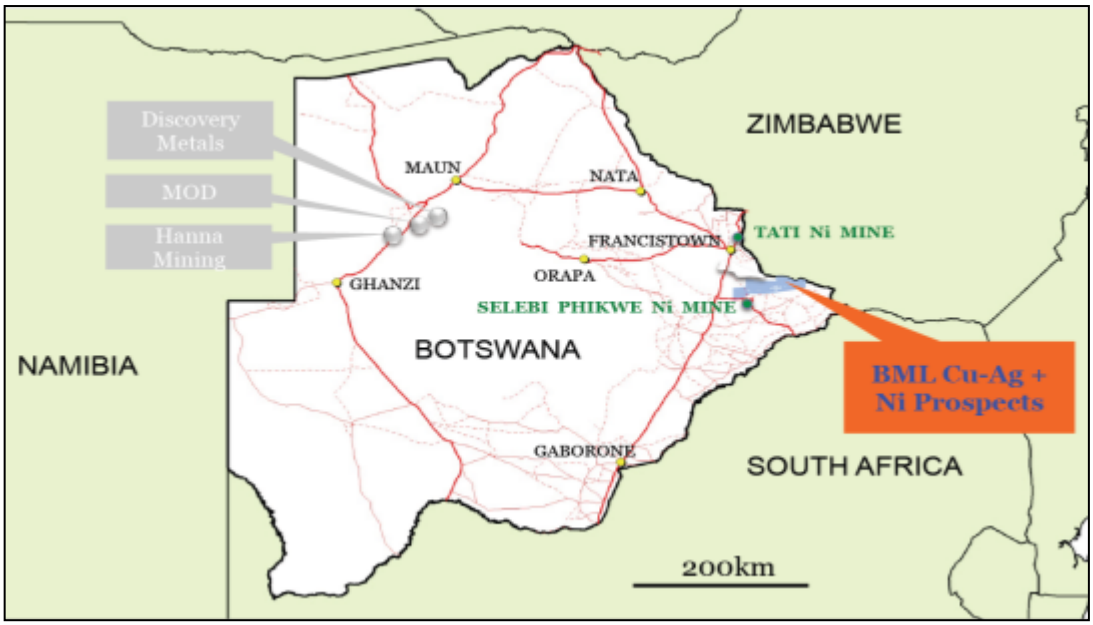


Figure 1: Location of Botswana Metals Limited Exploration portfolio in Botswana.

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Exploration areas held in Botswana

The Company holds the following prospecting licences in Botswana:

Tenement	Renewal / Expiry Date	Percentage Holding	Title Holder	Comment
Magogaphate PL 110/94	31/03/2016	100	African Metals (Pty) Ltd	J/V with BCL Ltd effective 01/04/14.
Mokoswane PL 111/94	31/03/2016	100	African Metals (Pty) Ltd	J/V with BCL Ltd effective 01/04/14.
Takane PL 54/98	31/03/2016	100	African Metals (Pty) Ltd	J/V with BCL Ltd effective 01/04/14.
Shashe South PL 059/2008	30/09/2016	100	African Metals (Pty) Ltd	Renewal granted until 30/09/16.
Central PL 070/2008	30/09/2016	100	African Metals (Pty) Ltd	Renewal granted until 30/09/16.
Central Sampa PL 111/2011	30/06/2014	100	African Metals (Pty) Ltd	Renewal application lodged 31/03/14.

Table 1: Prospecting licences in Botswana.

African Metals (Pty) Ltd is a wholly owned subsidiary of the Company.

Minerals Holdings (Botswana) Pty Ltd holds a 5% net profit share interest in PL 110/94, PL 111/94 and PL 54/98.

PL 110/94, PL 111/94 and PL 54/98 were extended for a further two years to 31 March 2016.

PL 111/2011 is pending renewal by the Department of Mines in Botswana.

On 1 April 2014 a **Farm-In Joint Venture agreement with BCL Limited** became effective where BCL Limited can earn an initial 40% interest in 3 PLs based on making certain expenditure commitments. If BCL Limited funds to the end of a Bankable Feasibility Study then BCL can earn a 70% equity interest in the 3 JV PLs being 110/94, 111/94 and 54/98.

Several new PL applications were lodged with the Department of Mines in the March 2015 quarter which are still being processed. These are shown in light green in Figure 2 below.

Other than the details above, the Company did not acquire or dispose of any other tenements or beneficial interests in farm-in agreements during the quarter.

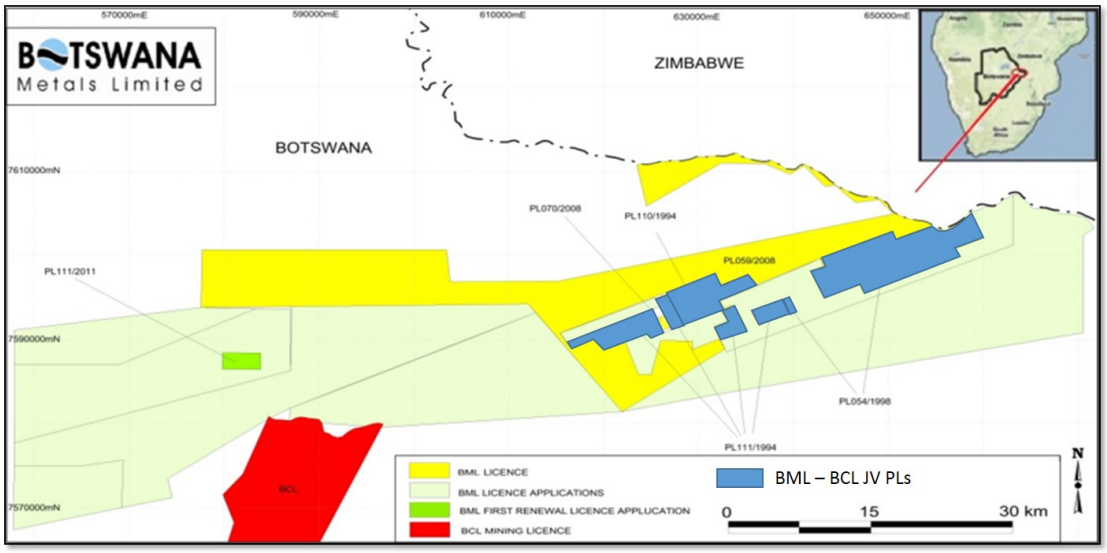


Figure 2: BML exploration tenement portfolio in Botswana. Prospecting Licences subject to the Joint Venture with BCL are shaded light blue.

JOINT VENTURE EXPLORATION ACTIVITIES FOR THE QUARTER

PL 110/94 - Maibele North

During the September 2015 Quarter, BML's Joint Venture partner, BCL Limited, continued the extensive program of Infill, Metallurgical and Extension drilling at the Maibele North deposit. Totalling ~12,500m the program is divided evenly between in-resource drill holes and extension holes targeting the number of significant conductor targets along strike and adjacent to the main orebody (Figure 3, Table 3).

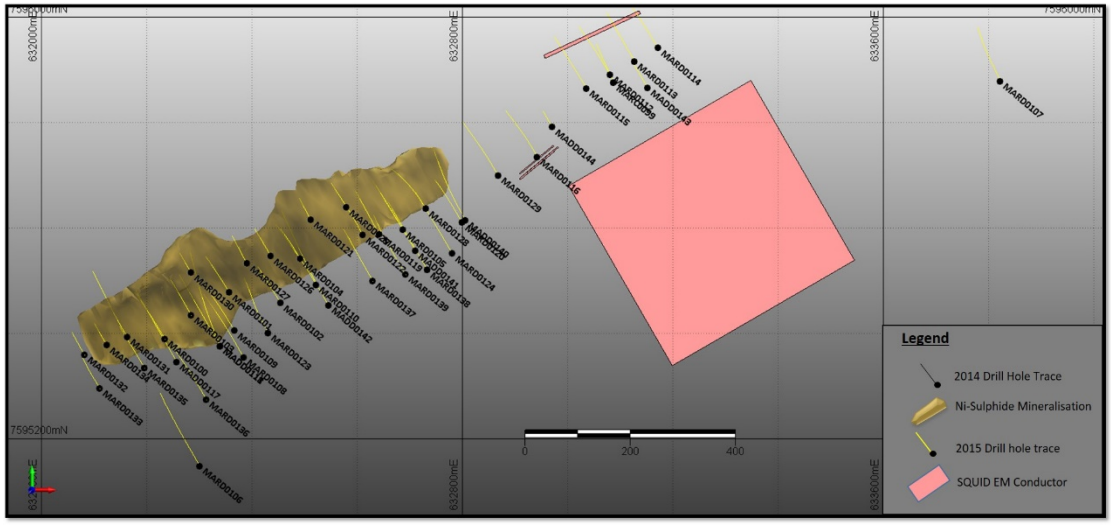


Figure 3: Shows the Maibele North orebody and in yellow the 49 holes so far completed in the current program. The pink shapes represent modelled SQUID conductors.

The focus of the program is to both upgrade and grow the JORC-compliant Inferred resource that was announced to the market during the March quarter. The estimate was carried out by independent consultants, MSA South Africa, from an extensive drill program undertaken in 2014 in conjunction with BML's Joint Venture partners BCL Limited.

At a 0.3% Ni cut-off the resource stands at:

Cut-off (%Ni)	Tonnes (Mt)	Ni (%)	Cu (%)	Pt (g/t)	Pd (g/t)	Rh (g/t)	Ru (g/t)	Au (g/t)
0.30	2.38	0.72	0.21	0.08	0.36	0.04	0.05	0.10

Table 2: JORC compliant inferred resource estimate.

Up until the end of the first week of October, a total of 49 holes had been completed or commenced for a total of 9164m drilled as part of the current program.

A further **~3300m** of drilling is scheduled and when complete, the results will facilitate an upgrade of the current resource status and will also indicate the potential to increase the resource along strike and at depth

The current drill program has continued to intersect broad zones of sulphide mineralisation within the Maibele North orebody as well as significant massive and disseminated sulphide zones along strike to the east. The continuing good results are extremely encouraging and demonstrate the size and potential of the mineralised system at Maibele North. The strong commitment of the Joint Venture partners, BCL Limited, to progressing Maibele North shows the importance of this resource to potentially add additional tonnes for processing at the nearby Selebi Phikwe plant and smelter. The results have so far highlighted the potential to upgrade the resource to an indicated status and also the great potential to increase the resource with additional sulphide zones discovered along strike and at depth.

Highlights of the current drilling to date include:

Infill/Geotech Holes

- **MARD0101:**
  - Mineralised intersection between 119.28 and 123.91m (4.63m down hole) including 0.56m thick zone of massive sulphides.
- **MARD0103:**
  - Mineralised intersection between 112.47m to 121.67m (9.2m down-hole) and 125.36m to 147.27m (21.91m down-hole).
  - Several zones of disseminated, semi-massive and massive sulphide mineralisation were intersected .
- **MARD0104**:
  - Mineralised intersection from 111.53m to 115.73 (4.2m down hole).
  - Significant zones:
    - 0.97m of massive sulphides.

- **MARD0105**:
  - Mineralised intersection from 171.32m to 192m (20.68m down hole) of sulphide mineralisation.
  - Significant zone:
    - 0.24m of massive sulphides.

- **MARD0108**:
  - Mineralised intersection from 206.1m to 212m (5.9m down hole) of disseminated sulphide mineralisation.
  - Significant zone:
    - 0.34m of semi-massive sulphides.

- **MARD0117**
  - Mineralised intersection: 162.03m to 188.80 (26.77 m) - Moderate to strong disseminated sulphides.

- **MARD0119**
  - Mineralised intersection: 137.15m to 160.72m (23.57m).
  - Significant zones:
    - 137.15m to 146.77m contains Cumulative 0.93m Semi-Massive Sulphide in 3 zones.
    - 147.13m to 151.78m contains Cumulative 0.68m Massive Sulphide in 3 zones.

- **MARD0122**
  - Mineralised intersection: 127.55m to 141.91m (14.36m).
  - Significant zones:
    - 127.55m to 127.85m - 0.30m Massive Sulphides.
    - 134.30m to 135.73m - 1.43m Massive Sulphides.
    - 136.64m to 138.22m - 1.58m Massive Sulphides.
  - **Cumulative 3.31m Massive Sulphide zone within intersection.**

- **MARD0127**
  - Mineralised intersection:
    - 73.46m to 74m (0.54m) - Massive Sulphides.

- **MARD0128**
  - Mineralised intersection:
    - 159.60m to 175.07m (15.47m) Strong Disseminated Sulphides.
    - Including 174.75 to 175.07m – Semi-Massive Sulphides.

- **MARD0130**
  - Mineralised intersection:
    - 66.42m to 67.32m (0.90m) – Semi-Massive Sulphides.

- **MARD0138**
  - Mineralised intersection:
    - 222.82m to 239.92m (17.10m) – Disseminated Sulphides.

- **MARD0141**
  - Mineralised intersection:
    - 222.15m to 233.30m (11.15m) – Disseminated and stringer Sulphides.

*Note: All intersections are quoted as down-hole lengths

Highlights of Step-out Holes targeting DHEM and SQUID EM Conductors

- **MARC0099**
  - 5m disseminated sulphide zone from 245m.

- **MARD0106** (targeting DHEM conductor adjacent to the orebody)
  - 25m of disseminated sulphides over 2 zones:
    - 9m from 289m; and
    - 16m from 359m.

- **MARD0112 (EOH 244.13m)**
  - Mineralised intersection: 175.05 to 194.24 (19.19m down hole).
  - Significant zones:
    - 185m to 187.59m (2.59m) disseminated + sulphide stringers.
    - 187.59m to 187.95m (0.36m) Moderate to strong sulphide stringers.
    - 187.95m to 189m (1.05m) disseminated sulphides.

- **MARD0113 EOH: 215.10m**
  - Mineralised intersection: 178m to 187.85m (9.85 m).
  - Significant zones:
    - 179.10m to 181.86m (2.76m) Moderate to strong disseminated sulphides.
    - 181.86m to 185.42m (3.56m) disseminated sulphides + stringers.

- 185.42m to 187.71m (2.29m) Moderate to strong disseminated sulphides + sulphide stringers.

➢ **MARD0115 (EOH 250.15m)**
- Mineralised intersection:
  - 187.45m to 188.71m disseminated sulphides and stringers.

➢ **MARD0116 (EOH 248.15m)**
- Mineralised intersection:
  - 206.59m to 207.19m (0.60m) - Massive Sulphides.

➢ **MARD0129 (80m along strike of main orebody)**
- Mineralised intersection: 200.30m to 203.9 (3.60m) – Massive and stringer sulphides.
- Significant zones:
  - **Cumulative 1.39m Massive Sulphides in 2 zones**
    - 1.04m massive sulphides.
    - 0.35 massive sulphides.

➢ **MARD0140 (Eastern edge of main orebody)**
- Mineralised intersection: 228.50m to 235.90m (7.40m) – Stringer and disseminated sulphides.
- Significant zones:
  - 0.10m Massive Sulphide.

➢ **MARD0143 (430m along strike of main orebody, beneath MARD0113)**
- Mineralised intersection: 219.74m to 230.80m (11.06 m) – Strongly disseminated and stringer sulphides.

*Note: All intersections are quoted as down-hole lengths

- **SQUID technology:** all SQUID Conductors drilled to date have returned significant sulphide intersections returning a 100% success rate.

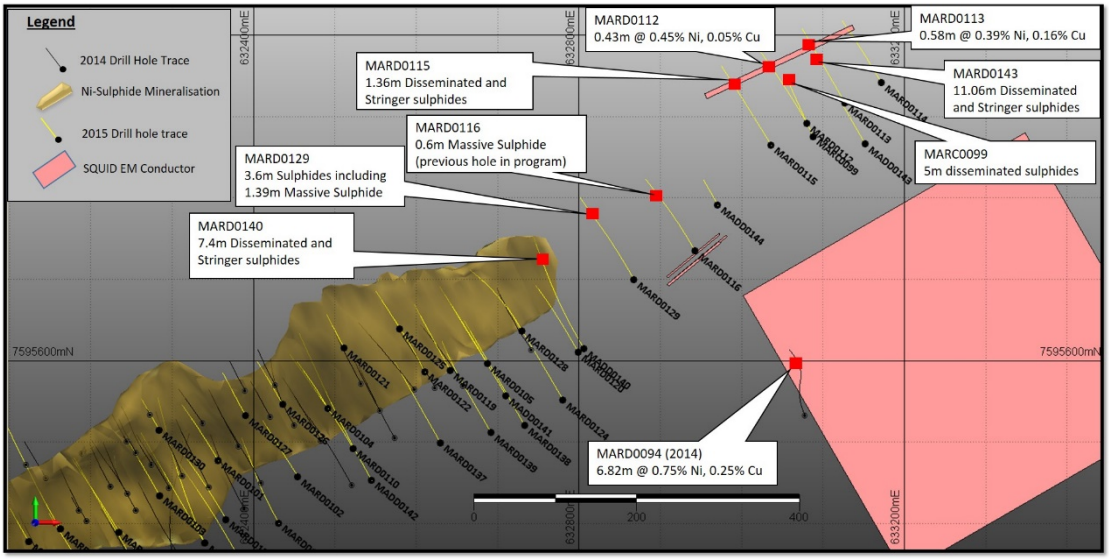


Figure 4: Shows all step out holes from 2014 and 2015 to date (yellow trace) with the sulphide intersections or assay results highlighted (red boxes). MARD0116 was completed and reported on earlier in the program and MARD0094 was completed during 2014.

Assay Results

The first batch of assay results from the current campaign were received during the quarter (Table 3 – Significant Intersections, Figure 4). These results contain assays of the initital 13 completed infill and metallurgical holes as well as the first results from the new discovery zones 400m along strike to the east of the resource.

Highlights of the first batch of assay results include:

MARD0103:

- ***4.26m @ 1.07% Ni, 0.39% Cu, 611 ppm Co, 0.08g/t Au, 0.67g/t 4PGEs from 112.47m.***
- ***5.23m @ 1.85% Ni, 0.4% Cu, 852 ppm Co, 0.08g/t Au, 1.96g/t 4PGEs from 133m.***

Including

- **3.37m @ 2.67% Ni, 0.53% Cu, 1,196ppm Co, 0.1g/t Au, 2.42g/t 4PGEs from 134.86m.**

MARD0101:

- ***1.24m @ 1.58% Ni, 0.27% Cu, 599 ppm Co, 0.01g/t Au, 1.05g/t 4PGEs from 119.28m.***

MARD0104:

- ***0.98m @ 2.64% Ni, 0.48% Cu, 1330 ppm Co, 0.02g/t Au, 1.49g/t 4PGEs from 110.54m.***

(Note: all widths are down hole thicknesses. A full compilation of significant intersections is included in Table 3 below)

Of particular importance is the confirmation that a similar suite of metals and metal ratios are evident in the dissemninated sulphide zones discovered in the new SQUID EM conductors some 400m along strike to the east of the main Maibele North Orebody (Figure 4 and 5). Although the results from these areas are of a moderate tenor, they can be considered highly significant in that they are from a round of first pass holes into a new target area and have demonstrated that the mineralising system responsible for Maibele North is indeed much larger than initially thought and that great scope exists for further discovery and resource growth at the project. Follow-up drill holes targeting the most prospective areas within and along strike to the east and west of these new discoveries are continuing.

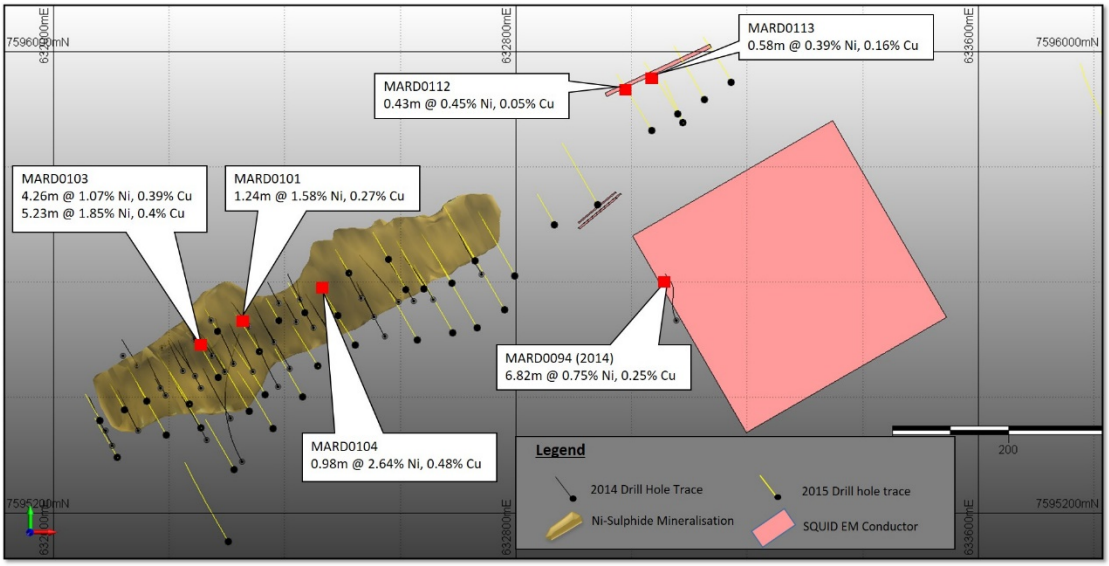


Figure 5: Plan view of the 2015 drill hole traces (yellow) showing the highlight intersections from the recent batch of assay results. Pink shapes represent recently defined SQUID EM conductor plates

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Hole ID	From (m)	Thick (m)	Ni%	Cu%	Co ppm	Au g/t	Pt g/t	Pd g/t	Rh g/t	Ru g/t	Comment
MARD0103	112.47	4.26	1.07	0.39	611	0.08	0.04	0.37	0.08	0.18	
incl.	112.47	0.75	2.09	0.88	1260	0.09	0.05	0.66	0.16	0.34	
incl.	114.47	0.83	1.44	0.49	766	0.07	0.06	0.52	0.11	0.31	
and	133	5.23	1.85	0.4	852	0.08	1.06	0.63	0.07	0.2	
incl.	134.86	3.37	2.67	0.53	1196	0.1	1.15	0.9	0.1	0.27	
MARD0108	208.33	1.36	0.79	0.24	485	0.02	0.11	0.26	0.04	0.08	
incl.	208.33	0.36	2.07	0.34	1140	0.01	0.01	0.64	0.1	0.13	
											RESOURCE INFILL HOLES
MARD0101	119.28	3.17	0.71	0.14	299	0.03	0.06	0.23	0.04	0.17	
incl	119.28	1.24	1.58	0.27	599	0.01	0.09	0.46	0.09	0.41	
incl	119.96	0.56	2.89	0.06	1040	0.01	0.01	0.7	0.17	0.72	
MARD0104	110.54	0.98	2.64	0.48	1330	0.02	0.3	0.67	0.13	0.39	
and	115.46	0.29	2.5	0.26	1410	0.07	0.01	0.7	0.16	0.25	
MARD0105	171.32	3.55	0.55	0.25	318	0.03	0.06	0.16	0.02	0.03	
and	178.59	0.62	1.59	0.2	712	0.03	0.02	0.56	0.05	0.07	
and	181.73	1.52	0.24	0.25	159	0.02	0.68	0.3	0.05	0.17	
MARD0112	185	3	0.2	0.05	181				0.02	0.03	
incl	187.57	0.43	0.45	0.05	387	0.03	0.01	0.23	0.05	0.04	
											RESOURCE EXTENSION HOLES
MARD0113	171	16.58	0.18	0.1	169				0.01	0.02	
incl.	187	0.58	0.39	0.16	359	0.2	0.03	0.2	0.01	0.01	
MARD0106	357	2	0.14	0	119	0.01	0.01	0.05	0.01	0.01	

Table 3: All Significant intercepts from the recently received first batch of assay results

Note: Holes MARD00100, 102, 107, 109 and 110 returned no significant intersections above 0.3%Ni. All widths are down hole thicknesses.

Feasibility Study

During the quarter the Joint Venture partners appointed Worley Parsons RSA (Pty) Ltd to perform a Feasibility Study on the Maibele North Project. AquaLogic was also appointed to carry out an Environmental Impact Assessment (EIA) of the project. These appointments

confirm the Joint Venture plan is to complete a feasibility study in order to lodge a mining licence application by end of December 2015.

The BML Board is extremely pleased with BCL's decision to progress to Feasibility Studies at Maibele North. The aggressive drilling campaign is ongoing, with the objective of reclassifying the known resource from a JORC inferred status to a JORC indicated status to facilitate the Study. Feasibility and EIA studies are necessary requirements in the application for a mining licence with the Department of Mines in Botswana.

Hole ID	East (UTM)	North (UTM)	Dip	AZI	Depth (m)	RL
MARC0099	633088	7595875	-60	335	255.00	849
MARD0107	633823	7595878	-75	335	550.40	851
MARD0106	632301	7595148	-60	330	376.18	840
MARD0100	632235	7595389	-55	330	183.05	841
MARD0101	632357	7595477	-55	330	140.10	849
MARD0102	632455	7595457	-55	330	175.05	843
MARD0104	632492	7595541	-55	330	125.10	842
MARD0105	632688	7595596	-55	330	203.10	846
MARD0103	632285	7595434	-55	330	156.75	845
MARD0110	632523	7595492	-55	330	275.00	844
MARD0126	632436	7595546	-55	330	110.00	845
MARD0127	632391	7595532	-55	330	110.15	839
MARD0123	632432	7595400	-55	330	242.30	846
MARD0130	632285	7595515	-55	330	80.20	850
MARD0108	632384	7595354	-55	330	275.00	843
MARD0136	632314	7595274	-55	330	275.60	840
MARD0109	632367	7595405	-55	330	212.05	846
MARD0132	632082	7595359	-55	330	95.15	846
MARD0133	632111	7595296	-55	330	140.15	847
MARD0134	632124	7595378	-55	330	92.20	845
MARD0131	632163	7595393	-55	330	275.00	844
MARD0137	632630	7595499	-55	330	220.00	844
MARD0122	632611	7595586	-55	330	150.06	849
MARD0119	632642	7595588	-55	330	170.10	845
MARD0128	632731	7595636	-55	330	200.20	851
MARD0135	632196	7595334	-55	330	170.20	844
MARD0139	632692	7595511	-55	330	246.00	847
MARD0124	632781	7595551	-60	330	300.90	849

Hole ID	East (UTM)	North (UTM)	Dip	AZI	Depth (m)	RL
MARD0121	632512	7595615	-55	330	85.20	849
MARD0125	632581	7595638	-55	330	100.00	851
MARD0120	632800	7595610	-60	330	260.00	850
MARD0138	632734	7595520	-55	330	263.25	851
MADD0117	632258	7595346	-55	330	275.00	842
MADD0111	632340	7595376	-55	330	275.00	847
MADD0118	632340	7595376	-55	330	330.00	847
MADD0142	632546	7595453	-55	330	330.00	845
MADD0141	632711	7595556	-55	330	275.00	850
MARD0113	633128	7595916	-60	330	215.10	859
MARD0112	633081	7595891	-60	330	244.13	850
MARD0115	633036	7595864	-60	330	250.15	848
MARD0114	633172	7595941	-60	330	196.00	852
MARD0116	632943	7595734	-60	330	248.15	851
MARD0129	632868	7595699	-55	330	245.60	853
MADD0140	632807	7595614	-55	330	275.00	853
MADD0144	632971	7595791	-55	330	62.30	853
MADD0143	633152	7595866	-55	330	107.30	853

Table 4: Details of holes drilled to 8 October 2015 as part of the 12,500m Maibele North program.

Regional Potential of Maibele North Trend

Examination of regional geological and geophysical images shows linear features that correlate strongly with the zone of mineralisation and extend a considerable distance to the east towards the Maibele North Extension prospect and further still towards the Mashambe Prospect (see Figure 6). Both prospects are marked by prominent VTEM anomalism and the presence of ultramafic lithology and geochemical anomalies. PL 59/2008 Maibele Extension and Mashambe lie some 5km and 6km respectively east of the Maibele "new zone" and exhibit similar surface geological indicators to those at Maibele North that mark the presence of significant Ni + Cu + PGEs mineralisation. ***PL 59/2008 is 100% owned by BML and not currently subject to the JV with BCL.***

The same linear trend can be traced 5km to the west of Maibele North and Airstrip Copper to VTEM Anomaly 10380a, where a single historic drill hole into a conductor plate returned 0.3%Ni in sulphides down hole.

Evidence is mounting that Maibele North – Airstrip Copper lie on a regional geological horizon of at least 16km in length prospective for Ni-Cu sulphide mineralisation and containing a

number of prominent conductive anomalies associated with ultramafic lithology. BML believes this trend is grossly under explored.

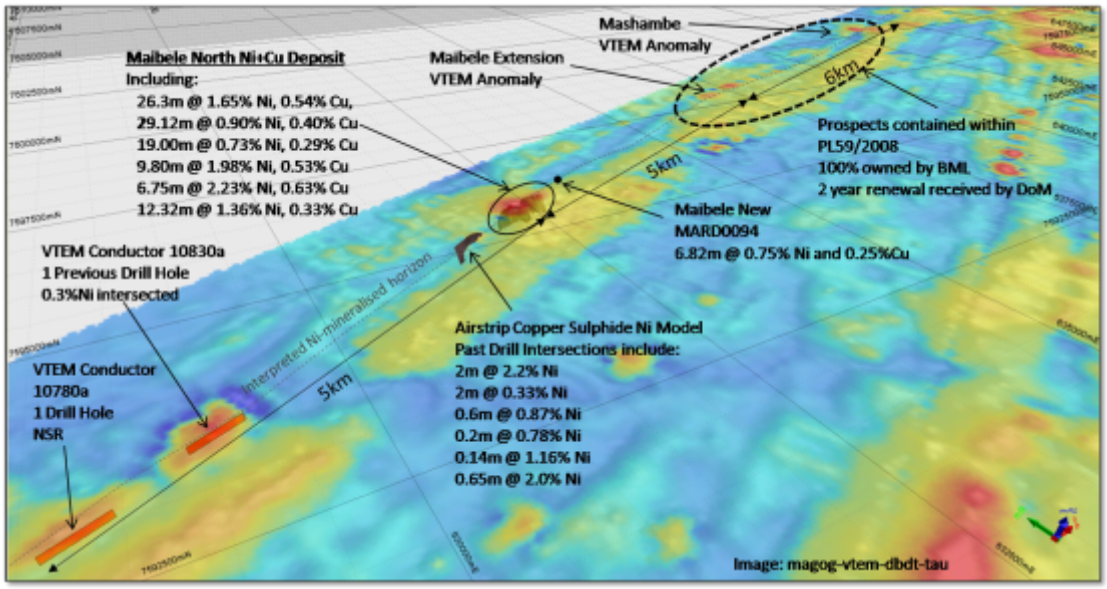


Figure 6: Regional perspective view from above, looking northeast, and showing the linear horizon along which the Maibele North-Aistrip mineralised trend lies. Background image is VTEM db/dt Tau and shows numerous prominent conductive anomalies along the horizon. Sulphide Ni mineralisation has been intersected at Airstrip, Maibele North + Maibele new zone and conductor 10830a.

Other JV areas of interest:

Regional Exploration – PL 54/98 Exploration

Takane is one of three licences covered by the joint venture and represents ~80 sq km of the total ~185 sq km included in the JV agreement. The JV tenements form part of BML's extensive exploration portfolio in Botswana which covers over 1000 sq km of highly prospective terrain.

Interpretation and prioritising of targets from the detailed ground geophysical survey program undertaken in the June quarter continued during September. The focus is to design a drill program aimed at testing the best conductors at the 4 priority Ni-sulphide prospects previously identified at Takane (PL 54/98).

The JV partners are highly encouraged by the initial reconnaissance sampling and mapping at the projects and believe good potential exists for further discovery of significant base and precious metal deposits.

The Takane area is approximately 10 km from the Maibele North Prospect.

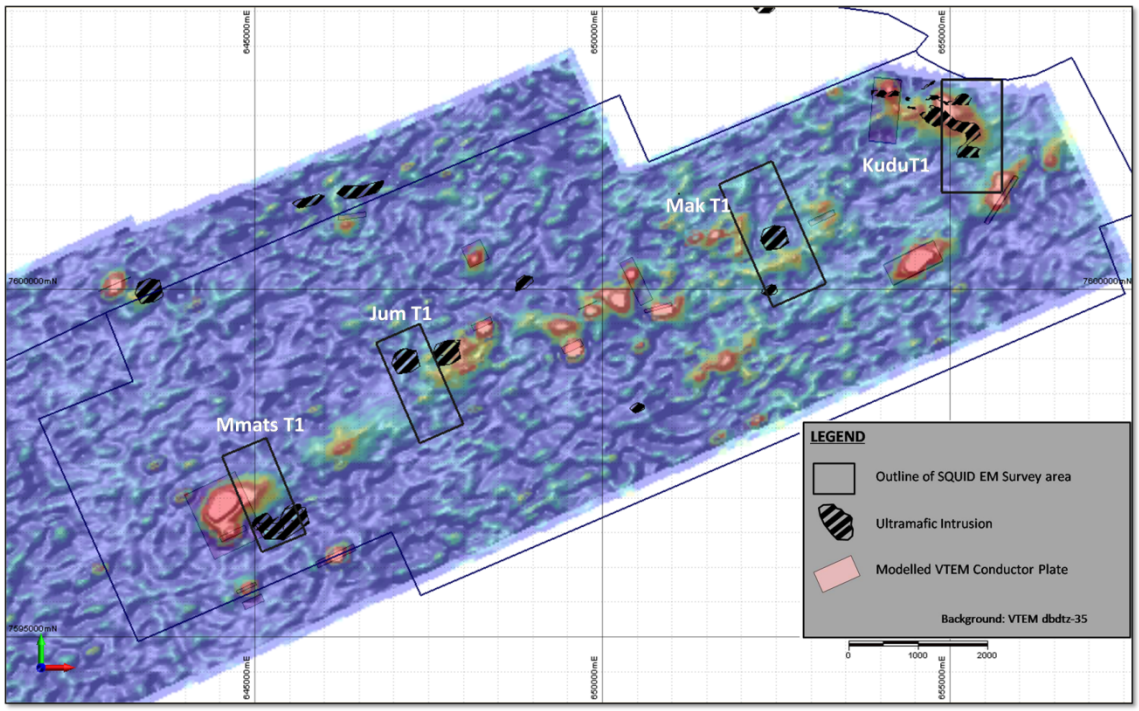


Figure 7: Location of the 4 priority target areas on PL 54/98 over a regional VTEM image. The outline of the SQUID survey areas are shown (black rectangle) along with ultramafic intrusions and modelled VTEM conductors (faint pink rectangles).

Exploration Activities outside the JV PLs during the Quarter

Activities outside the Prospecting Licences not covered by the JV with BCL include the completion of SQUID TDEM ground surveys at 3 prospects along strike from Maibele North on BML's 100% owned PL 59/2008.

The Company has retained the services of Mr Steve Groves (MAIG, MSEG) as its competent person to review exploration activities of the Company.

PL 59/2008 Maibele North Extension (100% BML)

The SQUID TDEM program was undertaken over 3 prospects on PL 59/2008 that are interpreted to lie directly along strike from Maibele North where the SQUID has been used to great effect in discovering additional nickel-copper mineralisation. The surveys detected significant conductors at all three prospects.

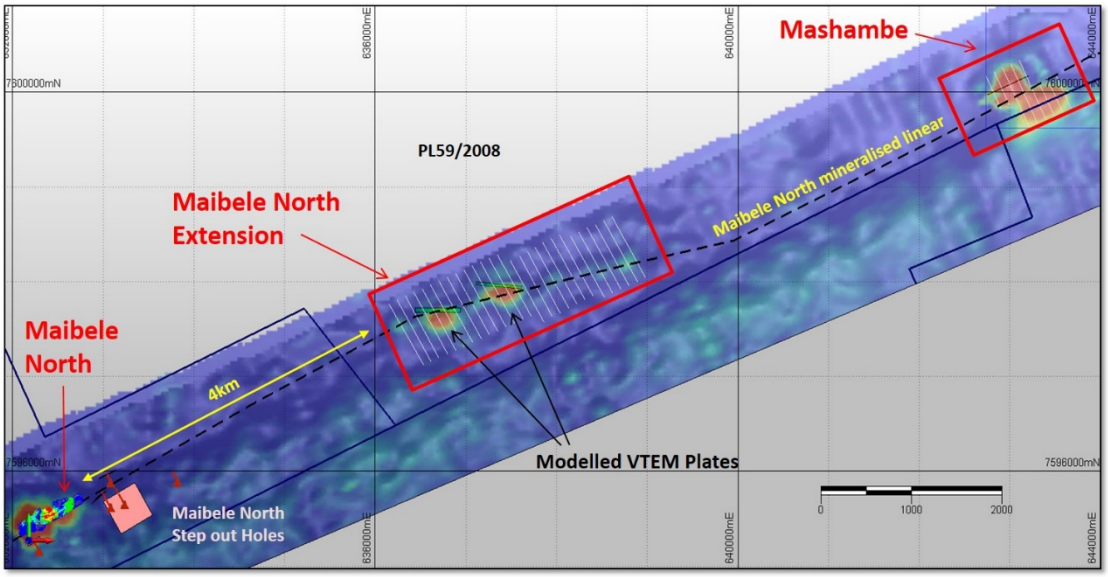


Figure 8: ***VTEM image showing the position of the PL 59/2008 prospects along strike from Maibele North.***

Program Details

PL 59/2008 is a particularly attractive exploration target because it contains a number of prospects that lie along strike from Maibele North on a geological horizon that is interpreted to be a preferential host to Ni - Cu mineralisation in the district.

The PL contains three priority prospects, Maibele North Extension, Mashambe and Mashambe NE that all show good indicators of potential Ni + Cu mineralisation similar to that displayed at Maibele North and have been discovered through soil geochemical surveys, geological mapping and airborne VTEM surveys.

The prospects lie along an interpreted geological horizon that contains a number of Ni + Cu occurrences including the Maibele North Resource, with Maibele Extension some 4 km east of Maibele North and Mashambe a further 6km east of Maibele North Extension (Figure 9).

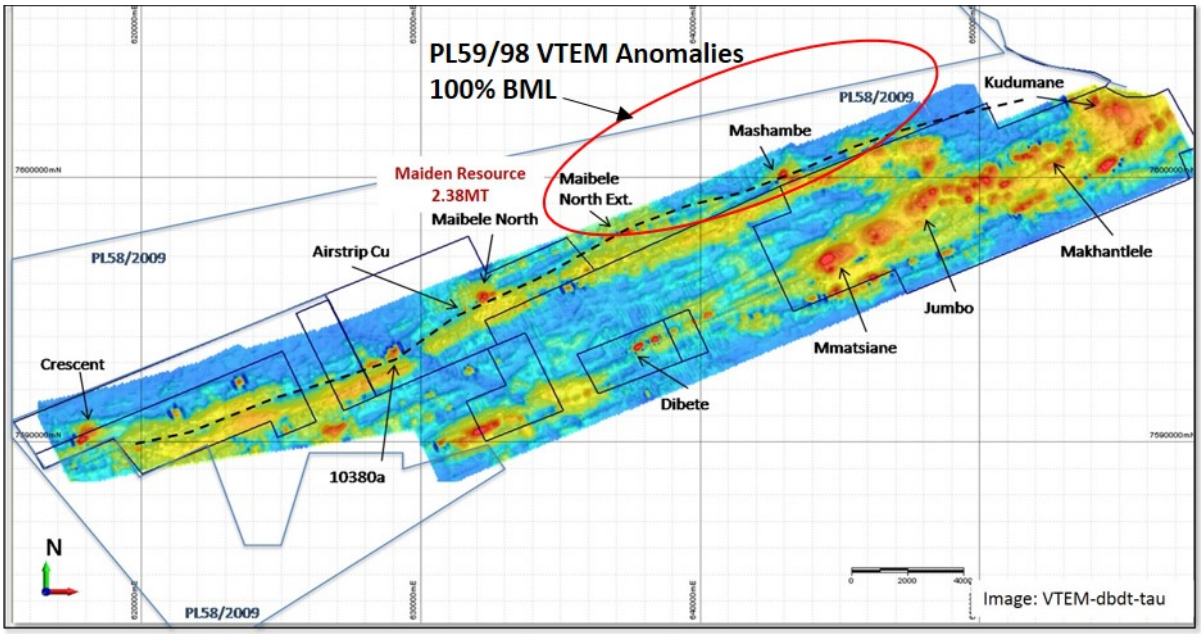


Figure 9: Shows the potential strike length and its direction through BMLs 100% owned PL 59/2008. The three VTEM anomalies show up in red at Maibele North Extension and Mashambe.

Spectral Geophysics from Gaborone, Botswana, were commissioned to undertake the program which included a total of six separate loops across the 3 prospects: 4 at Maibele North Extension and 1 each at Mashambe and Mashambe NE. Spectral Geophysics were the contractors who successfully identified new conductors currently being drilled at nearby Maibele North (Figure 10).

Results

Maibele North Extension – Four Loops (E1, E2, E3, E4)

- 3 isolated, discreet conductors defined from loops E1,E2,E4.
- Cumulative total strike length of conductors ~ 900m.
- Conductance increases from west to east.
- Average depth to top of conductors in the range 110 -165m.
- Average dip of conductors in the range 57° - 75°.
- Conductance of plates for E1, E2 in the range 100s – 500s.
- Conductance of plates for E4 >1500s.

Additional Prospect Information

- ~4km from Maibele North.
- Ultramafic Rocktypes present.

- Two modelled VTEM Conductors – 11420a, 11470a.
- Favourable Cu and Ni soil geochemical anomalies.

Mashambe – One Loop (E1)

- 2 isolated, discreet conductors defined from loop E1 (one of which could be related to casing stuck in old drill hole).
- Total strike length of conductors ~ 700m.
- Average depth to top of conductors in the range 220 -240m.
- Average dip of conductors in the range 66° - 71°.
- Average conductance of plates in the range 280s – 310s.

Additional Prospect Information

- 10km from Maibele North, 6km from Maibele North Extension.
- Ultramafic Rocktypes present.
- Associated modelled VTEM Conductor – 11870b.
- Favourable Cu and Ni soil geochemical anomalies.

Mashambe North East – One Loop (E1)

- 1 isolated, discreet conductor defined from loop E1.
- Total strike length of conductor ~ 440m.
- Average depth to top of conductor in the range 155 -170m.
- Average dip of conductors in the range 70° - 80°.
- Average conductance of plates in the range 300s – 460s.
- Good conductor with favourable structural setting.
- Conductor located just within the JV tenement PL 54/98.

Additional Prospect Information

- 15km from Maibele North, 4km from Mashambe.
- Ultramafic Rocktypes present.
- Associated modelled VTEM Conductor 12100a.
- Favourable Cu and Ni soil geochemical anomalies.

It should also be noted that highly elevated Zinc soil geochemical anomalies exist at Mashambe and rock chips of up to 0.79g/t Au have been collected at Mashambe Northeast. These, along with any other features of interest will be followed up in the course of the exploration program.

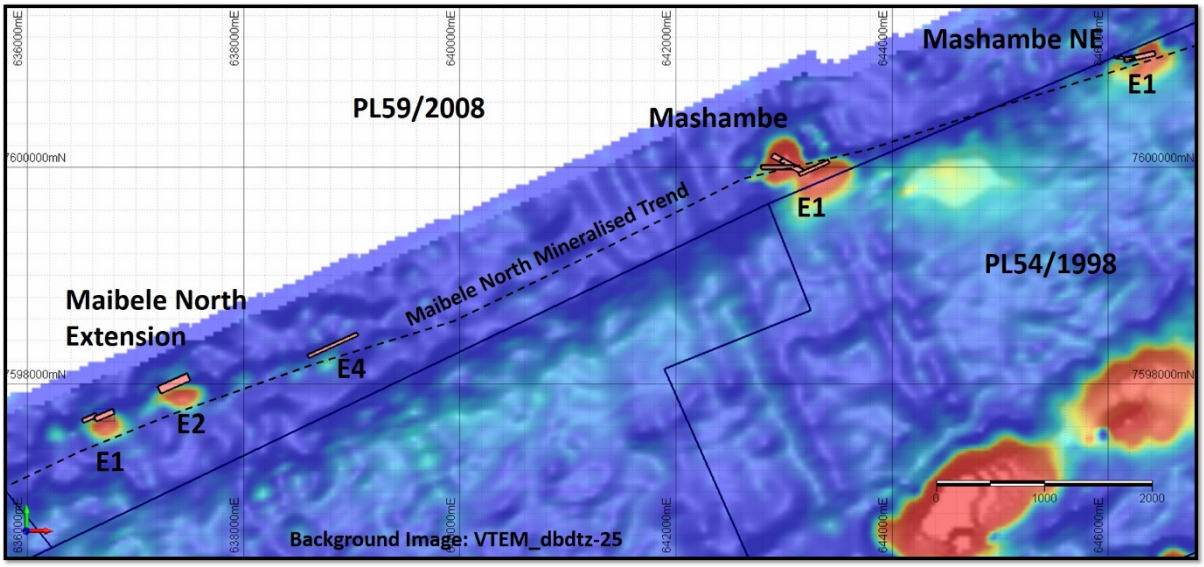


Figure 10: Location of the PL 59/2008 SQUID conductors (pink rectangles) at the 3 prospects over the regional VTEM image.

Proposed Drill Program

An initial program of 3 drill holes for 775 metres of RC drilling was proposed to test the conductors at Maibele North Extension. These conductors rank as the highest priority targets due to:

- Close proximity along strike to Maibele North.
- Multiple conductors of increasing conductivity (to over 1500s).
- Shallow depth (~165m).
- Multiple targets of a cumulative strike to 900m – possibly indicates a large system with potential for numerous orebodies.

The program commenced early in October 2015, subsequent to the end of the September quarter with hole MNRC001 already completed.

Target	X (UTM36)	Y (UTM36)	ELEV (m)	INCLINATION	AZI	DEPTH (m)	Progress
MNRC003	636747	7597588	865	60	330	275	To Be Drilled
MNRC002	637432	7597918	865	60	330	250	Underway
MNRC001	638766	7598208	865	60	335	250	Complete

Table 5: Details of the proposed holes for Maibele North Extension.

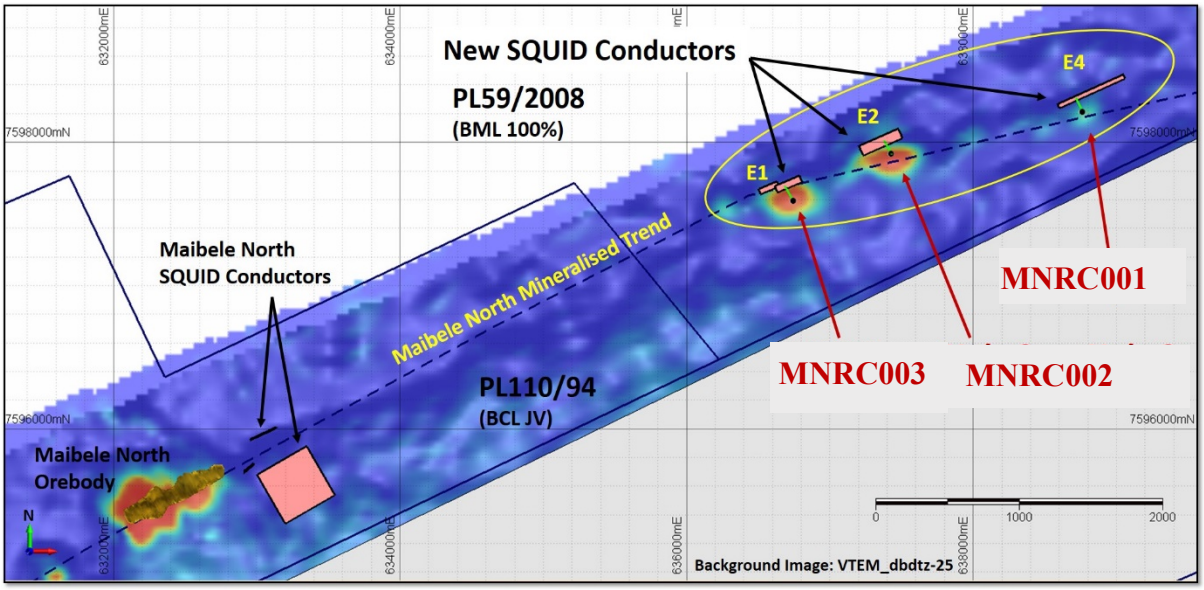


Figure 11: Location of the PL 59/2008 proposed drill holes at Maibele North Extension and the prospects spatial relationship to the Maibele North orebody. Background = regional VTEM image.

Progress Results

The first drill hole of the program was completed prior to the end of October. The hole, MNRC001, was drilled to a depth of 250m into conductor E4 and intersected a thick zone of weakly disseminated pyrrhotite (host sulphide for Nickel at Maibele North) within a medium grained amphibolite body from between 200 to 218m down hole. The intersection lies close to the predicted downhole position of the modelled SQUID conductor plate.

This intersection is highly significant because:

- It is the first and only drill hole into the new prospect which lies between 4km to 7km east of Maibele North along an interpreted Ni-mineralised horizon.
- It is the first drill hole into a large (>3km long) VTEM and SQUID EM anomaly which has been proven to be associated with sulphide mineralisation.
- It is the first hole into the very strong, 500m long E4 conductor leaving great scope for further sulphide intersections along the plate.
- It demonstrates that sulphide mineralising processes similar to that occurring at Maibele North are present at Maibele North Extension, over 6.5km away from hole MNRC001.
- It verifies the interpretation of a preferential regional geological horizon for sulphide mineralisation that encompasses Maibele North, Airstrip Cu, anomaly 10380a and the three 100%-owned BML projects Maibele North Extension, Mashambe and Mashambe NE.

- It continues the 100% sulphide intersection success rate of testing SQUID EM conductors in the region.
- It confirms the mineralised potential of the area and highlights the vast area of unexplored prospective terrain within BML's portfolio.

The Board of Botswana Metals is extremely excited by the discovery of sulphide mineralisation so far along strike from Maibele North. The intersection demonstrates the great mineral potential of the region and supports BML's exploration strategy of securing a majority landholding over the Limpopo Mobile Belt in Botswana.

Furthermore, the Board is highly encouraged by the continuing 100% success rate of the SQUID EM technique in identifying sulphide mineralisation in the region. Hole MNRC001 is the first regional test of a SQUID EM conductor with strong conductors evident at a further 6 high priority targets on both 100% owned BML ground and JV ground with BCL remaining to be tested. All of the high priority targets contain conductors associated with ultramafic rock types and encouraging geochemical anomalies.

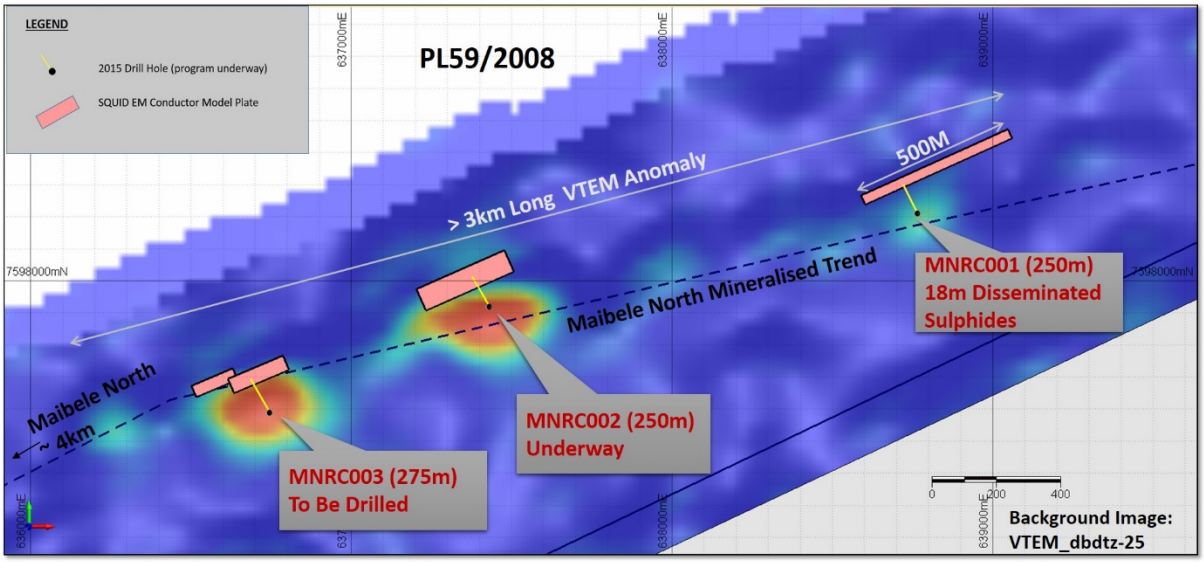


Figure 12: Location of the PL 59/2008 drill holes at Maibele North Extension showing the >3km long VTEM anomaly (light blue to red colours on background image) and recently detected SQUID EM conductors (Pink Rectangles). The current holes are marked as MNRC001, 002, 003. Background = regional VTEM image.

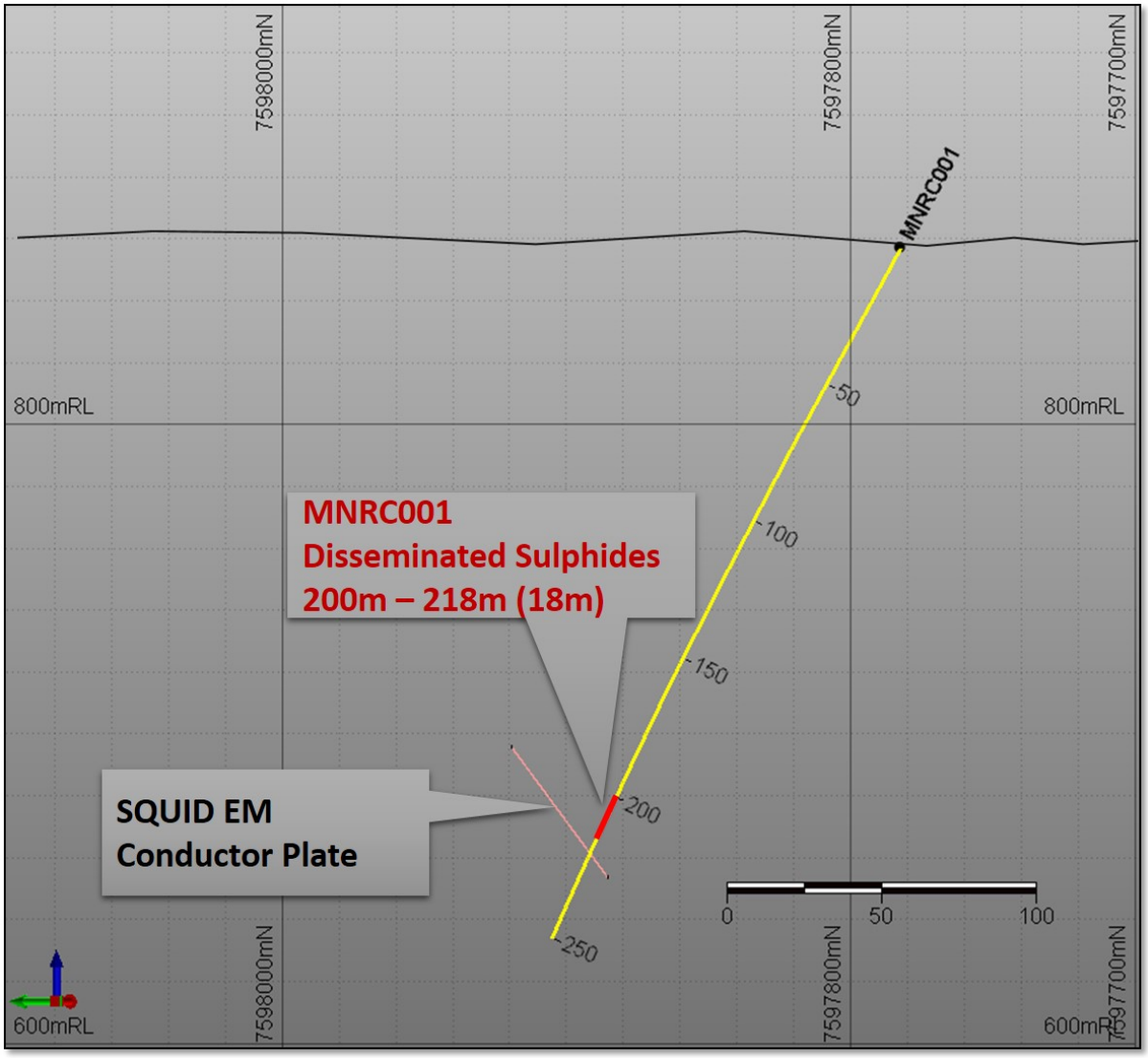


Figure 13: Cross Section through MNRC001 showing the down-hole location of the disseminated sulphide intersection in relation to the modelled SQUID EM conductor. This is the first hole into the very strong, 500m long E4 conductor.

It is common within the Maibele North orebody for thick disseminated sulphide intersections to coalesce into narrower massive and/or semi-massive zones within a very short distance. The presence of sulphides at Maibele North Extension provides proof of the geological model and targeting strategy employed by BML and provides great encouragement for the future discovery of potential massive sulphide accumulations at the prospect.

BOTSWANA
Metals Limited
ABN 96 122 995 073

PL 111/2011

The Company applied to renew PL 111/2011 on 31 March 2014. No correspondence was received in the December 2014 quarter on the status of this application.

New Licences

In the March 2015 quarter, the company applied for several new Prospecting Licences with the Department of Mines in Botswana which are pending processing. These are highlighted in light green in Figure 2 above.

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 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.

About BCL Limited

BCL Limited is a mining and smelting company owned by the Botswana Government. The company commenced operations in 1959 and is now one of the largest private sector employers in Botswana.

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

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) Limited is a wholly owned subsidiary of BCL Limited.

About the BCL Limited Farm-In Joint Venture on PL 110/94, PL 111/94 and PL 54/98

BCL Investments (Pty) Limited ("BCL"), under the joint venture agreement, can spend an initial AUD$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 Bankable Feasibility Study ("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. BCL also has a first right of refusal to participate in exploration on the Company's other prospecting licences in Botswana.

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

BCL Investments (Pty) Limited - Farm-in Joint Venture Agreement

BCL executed the revised Farm-In Joint Venture Agreement on 22 January 2014 with the only condition precedent being that the DOM grants extensions to PL 110/94, PL 111/94 and PL 54/98 ("the three PLs"). The DOM subsequently granted the extensions to the three PLs.

The Company has made base metal discoveries within the three PLs: Maibele North (nickel, copper and platinum group elements), Airstrip Copper (copper and silver) and Dibete (copper and silver). A total of 23 VTEM base and precious metal anomalies have been identified to the east of the discoveries.

The Company believes that the agreement with BCL could substantially benefit the Company and its shareholders. The BCL group has been operating a nickel, copper and platinum group elements mine and smelter facility at Selebi Phikwe since the 1970s. Both operations are only 55 km to the southwest of the PLs. BCL has put in place a policy to find business opportunities that can extend the longevity of the mining and smelting operations located at Selebi Phikwe. BCL employs 5,000 people and the township of Selebi Phikwe has a population of 50,000.

The Joint Venture partnership can potentially fast track BML's efforts towards commencing an operation within the three PLs. The economics of bringing these potential projects to production will be significantly enhanced by the fact that the BCL group mining and smelting facilities are already in existence and logistically close enough for ore to be trucked to the Selebi Phikwe site.

Of the three BML projects, Maibele North nickel prospect has been given priority for drilling as previous diamond drilling intercepted nickel mineralisation at around a depth of 50 m. In March 2015 a maiden resource of 2.82m/t Ni+Cu+PGEs was declared with the resource still open to the west, east and at depth. If the economics permit, the capital and operating costs of developing a mine would be significantly reduced due to the availability of BCL's processing plant situated 55 km away from the joint venture exploration areas.

BCL and the Company continue to revise and prepare exploration plans for the JV areas. Takane commenced exploration actives including soils geochemistry and TDEM ground magnetics in the December 2014 quarter with VTEM anomalies already known. When results are known they will determine the level of activities for 2015 on this PL which has identified several exciting targets already as detailed in this report.

ABN 96 122 995 073

About Botswana Metals Limited

Botswana Metals Limited ("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 1,000 sq. km all located in Botswana and has made new PL applications lodged in the March 2015 quarter that will significantly expand the exploration portfolio of BML along the same Limpopo belt that its current PLs are held.

BML's objective is to discover an economic base and precious metals deposit in eastern Botswana on the well-known Limpopo Belt, which 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 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.

55km to the south of the three discoveries is the BCL Limited mine and smelter. BML entered into a farm in agreement with BCL that became effective on 1 April 2014.

BML has solid logistical support and the projects benefit from excellent infrastructure. The Company is managed by experienced personnel with 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 (Selebi Phikwe).

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Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

BOTSWANA METALS LIMITED

ABN	Quarter ended ("current quarter")
96 122 995 073	30 SEPTEMBER 2015

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (3 months) $A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation	(102)	(102)
	(b) development		
	(c) production		
	(d) administration	(126)	(126)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	1	1
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (provide details if material):		
	Net Operating Cash Flows	(227)	(227)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets		
1.9	Proceeds from sale of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
	Net investing cash flows		
1.13	Total operating and investing cash flows (carried forward)	(227)	(227)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(227)	(227)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	506	506
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)	(17)	(17)
	Net financing cash flows	489	489
	Net increase (decrease) in cash held	262	262
1.20	Cash at beginning of quarter/year to date	277	277
1.21	Exchange rate adjustments to item 1.20		
1.22	**Cash at end of quarter**	539	539

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	59
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

	$A'000
Director's remuneration	58
Director's consulting fees	1

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities		
3.2	Credit standby arrangements		

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	150
4.2	Development	
4.3	Production	
4.4	Administration	100
	Total	250

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	539	277
5.2	Deposits at call		
5.3	Bank overdraft		
5.4	Other (provide details) - Term deposits with Australian banks		
	Total: cash at end of quarter (item 1.22)	539	277

+ See chapter 19 for defined terms.

Changes in interests in mining tenements and petroleum tenements

		Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed				
6.2	Interests in mining tenements and petroleum tenements acquired or increased				

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	650,022,133	650,022,133		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	81,199,969	81,199,969		
7.5	**+Convertible debt securities** (*description)*				

+ See chapter 19 for defined terms.

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*	410,233,933	410,233,933	*Exercise price* 1.5 cents ($0.015)	*Expiry date* 31/12/2016
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: ..... Date: 30/10/2015
Company secretary

Print name: RAMON JIMENEZ

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

+ See chapter 19 for defined terms.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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