

**TO: COMPANY ANNOUNCEMENTS OFFICE
ASX LIMITED**

DATE: 6 FEBRUARY 2012

DESPATCH OF NOTICE OF NON-RENOUNCEABLE RIGHTS ISSUE TO SHAREHOLDERS

Botswana Metals Limited provides the following information to shareholders as required by Appendix 7A of the ASX Listing Rules.

Full details of the terms of the Rights Issue and the offer have previously been announced to the ASX.

In accordance with the Timetable and Important Dates the Prospectus and the Entitlement & Acceptance Form will be despatched to Eligible Shareholders on 16 February 2012.

Pat Volpe
Chairman

Market Cap

approx \$5.7M at 4c per share

Cash

\$1.3M (31 Dec 2011)

Issued Capital

143,717,844 ordinary shares
71,857,670 listed options at 10c

Substantial shareholders

1. Vermar Pty Ltd 16.20%
2. Bell IXL Investments Ltd 7.65%
3. Polarity B Pty Ltd 6.23%

Directors

Mr Patrick Volpe (Chairman)
Mr Massimo Cellante
(Non-executive Director)
Dr Paul Woolrich
(Non-executive Director)

www.botswanametals.com.au

Registered Office

Suite 5, Level 1,
310 Whitehorse Road
Balwyn, Victoria, 3103

P +61 3 9830 7676

F +61 3 9836 3056

Contact

Pat Volpe
P +61 3 9830 7676

ABN 96 122 995 073

6 February 2012

Dear Shareholder

NOTICE OF NON-RENOUNCEABLE ENTITLEMENTS ISSUE OF SHARES

Botswana Metals Limited (“BML” or “the Company”) has announced a pro-rata non-renounceable 1 for 3 issue of ordinary fully-paid shares, plus one Attaching Option at no cost for each New Share subscribed for exercisable at \$0.10 at any time up to 5pm AEST on 30 June 2013, (“the Rights Issue”).

The Prospectus for the Rights Issue was lodged with the Australian Securities and Investments Commission (ASIC) on 3 February 2012 and will be sent to all eligible shareholders together with a shareholder Entitlement, Acceptance and Shortfall Application Form by 16 February 2012.

This letter gives BML shareholders brief details of the Rights Issue, certain information required under the ASX Listing Rules, background, proposed use of funds and Important Dates for the Rights Issue.

The Rights Issue is only open to eligible shareholders, being shareholders whose registered address is in Australia or New Zealand at 5.00pm AEST on the Record Date.

The Company will apply the funds raised to ensure adequate funding is available for the Company’s proposed 12 month exploration and drilling program over its Prospecting Licence exploration portfolio and for general working capital purposes.

The Rights Issue is non-renounceable which means that there will be no rights trading.

Details of the New Issue are as follows:

- Type of Issue
 - Pro-rata non-renounceable issue of ordinary fully-paid shares on a 1 for 3 basis, plus 1 Attaching Option at no cost for each New Share subscribed for exercisable at \$0.10 at any time up to 5pm AEST on 30 June 2013.
- Amount payable
 - 4 cents per share
- No. of shares to be issued
 - Up to 47,905,948
- Amount to be raised
 - Up to \$1,916,238 before costs (assuming no existing options are exercised before the Record Date)
- Underwriting
 - Partially underwritten by Bell Potter up to \$1 million

Botswana Metals Limited

REGISTERED OFFICE

Suite 5, Level 1, 310 Whitehorse Road, Balwyn Vic Australia 3103

P: +61 3 9830 7676; F: +61 3 9836 3056

Email info@botswanametals.com.au

www.botswanametals.com.au

- Shortfall applications
 - Shareholders will be able to apply for additional New Shares arising from any shortfall in acceptances
- Listing
 - Application for listing of the New Shares and Attaching Options has been made to the Australian Securities Exchange (ASX).
- Important dates
 - 3 February 2012
 - Prospectus lodged with ASIC and ASX
 - 7 February 2012
 - Existing shares quoted on an “ex” basis
 - 13 February 2012
 - Record date for Entitlements
 - 16 February 2012
 - Prospectus and Entitlement & Acceptance Forms sent to Eligible Shareholders.
 - 2 March 2012
 - Offer closes: closing date for receipt of Acceptances.
 - 13 March 2012
 - Despatch of holding statements.

Full details of the terms of the Rights Issue and the offer are contained in the Prospectus which:

- Has been released to the ASX and is available on the ASX website under Announcements for Botswana Metals Limited (ASX code: BML)
- Is available on the BML website at www.botswanametals.com.au

Yours faithfully



Pat Volpe
Chairman

Botswana Metals Limited

REGISTERED OFFICE

Suite 5, Level 1, 310 Whitehorse Road, Balwyn Vic Australia 3103

P: +61 3 9830 7676; F: +61 3 9836 3056

Email info@botswanametals.com.au

www.botswanametals.com.au