

**TO: COMPANY ANNOUNCEMENTS OFFICE
ASX LIMITED**

DATE: 13 JUNE 2013

DESPATCH OF NOTICE OF NON-RENOUNCEABLE RIGHTS ISSUE TO SHAREHOLDERS AND NOTICE TO HOLDERS OF BML OPTIONS

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

Also attached is a letter mailed to all holders of Botswana Metals Limited Options (BMLO) that expire of 30 June 2013.

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 26 June 2013.

Pat Volpe
Chairman

Market Cap

approx \$2.6M at 1.4c per share

Cash

\$434K (31 March 2013)

Issued Capital

188,135,317 ordinary shares
116,275,143 listed options at 10c

Substantial shareholders

1. Vermar Pty Ltd 15.7%
2. Polarity B Pty Ltd 7.8%
3. Bell IXL Investments Ltd 5.6%

Directors

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

www.botswanametals.com.au

Registered Office

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Contact

Pat Volpe
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ABN 96 122 995 073

12 June 2013

Dear Shareholder

NOTICE OF NON-RENOUNCEABLE ENTITLEMENTS ISSUE OF SHARES

Botswana Metals Limited (“BML” or “the Company”) has announced a pro-rata non-renounceable 2 for 5 issue of ordinary fully-paid shares, plus one Attaching Option at no cost for each New Share subscribed for exercisable at \$0.03 at any time up to 5pm AEST on 30 June 2016, (“the Rights Issue”).

The Prospectus for the Rights Issue was lodged with the Australian Securities and Investments Commission (ASIC) on 12 June 2013 and will be sent to all eligible shareholders together with a shareholder Entitlement, Acceptance and Shortfall Application Form by 26 June 2013.

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 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 2 for 5 basis, plus 1 Attaching Option at no cost for each New Share subscribed for exercisable at \$0.03 at any time up to 5pm AEST on 30 June 2016.
- Amount payable
 - 1 cent per share
- No. of shares to be issued
 - Up to 75,254,127
- No. of options to be issued
 - Up to 75,254,127
- Amount to be raised
 - Up to \$752,541 before costs (assuming no existing options are exercised before the Record Date)

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- Shortfall applications
 - Shareholders will be able to apply for additional New Shares arising from any shortfall in acceptances. The Rights Issue is not underwritten but placement of the Shortfall, if any, will be managed on a best endeavours basis by Foxfire Capital Pty Ltd (a company of which Mr Volpe is a shareholder), a holder of an Australian Financial Services Licence (AFSL).
- Listing
 - Application for listing of the New Shares and Attaching Options has been made to the Australian Securities Exchange (ASX).
- Important dates
 - 12 June 2013
 - Prospectus lodged with ASIC and ASX
 - 14 June 2013
 - Existing shares quoted on an “ex” basis
 - 20 June 2013
 - Record date for Entitlements
 - 26 June 2013
 - Prospectus and Entitlement & Acceptance Forms sent to Eligible Shareholders.
 - 11 July 2013
 - Offer closes: closing date for receipt of Acceptances.
 - 19 July 2013
 - 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

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12 June 2013

Dear Option Holder

PARTICIPATION IN PRO-RATA NON-RENOUCEABLE RIGHTS ISSUE

The Directors of Botswana Metals Limited ("BML" or "the Company") advise that the Company is undertaking a Pro-Rata Non-Renounceable Rights Issue to all shareholders on the basis of two (2) new shares for every five (5) shares held at 5pm on 20 June 2013 ("Record Date") at an issue price of \$0.01 (1 cent), plus one (1) free attaching option for every one (1) share subscribed for.

Assuming none of the Company's existing options are exercised, 75,254,127 New Shares will be offered and approximately \$752,541 will be raised (before costs of the issue).

The full terms and conditions of the Rights Issue are detailed in the Prospectus which can be viewed on the ASX website at asx.com.au. A copy of the Prospectus will be sent to each eligible Shareholder.

The terms and conditions of the options you currently hold do not entitle you to participate in the above Pro-rata Non-Renounceable Rights Issue.

To participate in the Pro-Rata Non-Renounceable Rights Issue, you must exercise your options in time for the new shares to be allotted prior to the Record Date of 5pm on **20 June 2013**.

To assist you in making that decision the highest and lowest closing prices for BML's ordinary fully paid shares on the ASX during the last 3 months were \$0.022 and \$0.01 respectively and for the options \$0.001 and \$0.001 respectively.

The closing prices of BML's fully paid ordinary shares and options on Tuesday, 11 June 2013 were \$0.01 and \$0.001 respectively.

The exercise price per Option is \$0.10 (10 cents).

A copy of the Notice of Exercise of Options form is attached for those optionholders who wish to exercise their options.

If you are in doubt as to the action you should take in relation to this notice, you should consult with your professional adviser for advice immediately.

If you do not wish to participate in the Rights Issue (in respect of your existing options), you do not need to take any action.

Should you have any questions in relation to the above matters, please contact our registry on telephone (08) 9389 8033.

Yours faithfully,

Pat Volpe
Chairman

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BOTSWANA METALS LIMITED

ABN 96 122 995 073

APPLICATION FOR SHARES UPON EXERCISE OF OPTIONS

I/We _____

Securityholder Reference Number (S.R.N) / Holder Identification Number (H.I.N) _____

Contact Telephone Number _____

The registered holder(s) of the Options hereby exercise my/our Option for: _____
In figures *In words*

Ordinary Fully Paid Shares and enclose application money of \$0.10 per share \$.....
(amount payable on exercise)

I/We whose full name(s) and address(es) appear above hereby apply for the number of Shares shown above. I/We agree to be bound by the Constitution of the Company.

Securityholder Reference Number (S.R.N.) _____ Complete this only if you are Issuer Sponsored.

Holder Identification Number (H.I.N.) _____ Complete this only if you are CHESSE Sponsored.

<p>Signature Of Shareholder(s) (All joint holders must sign)</p> <p>x-----</p> <p style="text-align: center;">Signature Date</p> <p>x-----</p> <p style="text-align: center;">Signature Date</p> <p>x-----</p> <p style="text-align: center;">Signature Date</p>	<p>Companies Only - Executed in accordance with the Company's Constitution and the Corporations Law.</p> <p>x-----</p> <p style="text-align: center;">Sole Director and Sole Secretary Date</p> <p>x-----</p> <p style="text-align: center;">Director Date Secretary Date</p> <p>x-----</p> <p style="text-align: center;">Director Date Director Date</p>
<p>Note: If signed under Power of Attorney, a Certified Copy of the relevant Power of Attorney document must be exhibited to the Registry. The Attorney declares that he/she has had no notice of revocation of the Power of Attorney.</p>	

Terms and Conditions of options

Each Attaching Option will expire at 5.00pm EST on 30 June 2013 (**Option Expiry Date**). Each Attaching Option may be exercised at any time prior to the Option Expiry Date in accordance with the notice provisions set out below and any Attaching Options not so exercised shall automatically expire on the Option Expiry Date.

The exercise price for the Options is \$0.10.

The following is a summary of the rights and liabilities attaching to all Options and which will attach to the Attaching Options once issued.

(a) Ranking of Share allotted on Exercise of Option

Each Share allotted as a result of the exercise of an Attaching Option will rank in all respects pari passu with the existing Shares in the Company on issue at the date of allotment.

(b) Voting

Attaching Options issued by the Company do not have any voting rights at general meetings of the Company.

(c) Transfer of an Attaching Option

Subject to the Constitution of the Company and the Corporations Act the Attaching Options will be freely transferable.

(d) Method of Exercise of an Attaching Option

An optionholder may exercise Attaching Options at any time prior to the Option Expiry Date by submitting the relevant Option Exercise Form to the Company's share registry. Forms for exercising Attaching Options are available from the Company's share registry, the Company's website or by contacting the Company directly.

(e) Participation in New Share Issues

Attaching Options issued by the Company do not entitle the optionholder to participate in new issues by the Company.

(f) Change of Options' Exercise Price or the Number of Underlying Shares

In the event of any reconstruction (including a consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of holders of Attaching Options will be changed to the extent necessary to comply with the Listing Rules at the time of the reorganisation.

Cheques should be made payable **BOTSWANA METALS LIMITED** crossed "Not Negotiable", drawn on an Australian Bank and posted to Advanced Share Registry Ltd, PO Box 1156, Nedlands, Western Australia 6909.

NOTE: OPTIONS NOT EXERCISED BY 30 JUNE 2013 WILL AUTOMATICALLY EXPIRE.