

SECURITIES TRADING POLICY

1. Scope of this policy

1.1 This policy applies to all Directors, executives, employees, contractors, consultants and advisors (collectively “**BML Personnel**”) of Botswana Metals Limited (“**BML**” or “**the Company**”), its subsidiaries and joint venture companies.

1.2 In this policy “**Company Securities**” includes:

- (a) any shares in the Company;
- (b) any other securities issued by the Company such as options or debentures; and
- (c) derivatives and other financial products issued by third parties in relation to the Company’s shares, options and debentures.

In this policy to “**deal**” in Company Securities includes:

- 1.3
- (a) subscribing for, purchasing or selling Company Securities or entering into an agreement to do any of those things;
 - (b) advising, procuring or encouraging another person (including a family member, friend, associate, colleague, family company or family trust) to trade in Company Securities; and
 - (c) entering into agreements or transactions which operate to limit the economic risk of a person’s holdings in Company Securities.

2. Purpose of the policy

The purpose of this policy is to:

- (a) explain the type of conduct in relation to dealings in Company Securities that is prohibited under the *Corporations Act 2001 (C’th)* (“**Corporations Act**”), which is applicable to all BML Personnel ; and
- (b) establish a best practice procedure relating to buying and selling securities that provides protection to both BML and BML Personnel against the misuse of unpublished information which could materially affect the value of Company Securities.

BML aims to achieve the highest possible standards of corporate conduct and governance. Accordingly, the Board of Directors considers that compliance with this policy is essential to ensure that the highest standards of conduct are being met by all BML Personnel. BML also wishes to ensure that any perception of BML Personnel dealing in Company Securities when they should not do so is avoided. Any non-compliance with this policy will be regarded as serious misconduct.

This policy is not designed to prohibit BML Personnel from investing in Company Securities but does recognise that there may be times when BML Personnel cannot or should not invest in Company Securities. This policy provides guidance to BML Personnel as to the times when BML Personnel may deal in Company Securities.

3. Summary of Insider Trading Prohibition

3.1 Insider Trading Prohibition

BML Personnel who possess Inside Information in relation to the securities of the Company must not do any of the following things:

- (a) apply for, acquire or dispose of those securities or agree to do so (“**Trade**”);
- (b) procure, encourage, incite or induce any other person (eg. a family member, friend or family company or trust) to Trade (“**Procure a Trade**”); or
- (c) directly or indirectly communicate the Inside Information, or cause the Inside Information to be communicated to any other person, if BML Personnel knows or ought reasonably know that the other person would be likely to Trade or Procure a Trade.

3.2 What is Inside Information?

Inside Information is information that is not generally available and that, if it were generally available, a reasonable person would expect to have a material effect on the price or value of the relevant securities.

A reasonable person would be taken to expect information to have a material effect on the price or value of particular securities if the information would, or would be likely to, influence persons who commonly acquire securities in deciding whether or not to acquire or dispose of the particular securities in question.

Examples of information that might be Inside Information include information relating to:

- drilling results, mining exploration results, production figures and the like;
- prospective financial information and the Company’s financial performance;
- an actual or proposed capital raising or change to the Company’s capital structure;
- unpublished announcements;
- impending mergers, acquisitions, reconstructions, takeovers, etc;
- proposed transactions including material purchases or sales of assets;
- the threat of significant litigation, disputes, or other unexpected liability;
- significant changes in operations or proposed changes in the general character or nature of the business of the Company or its subsidiaries;
- the Company entering into or terminating a major contract; and
- a proposed dividend or change in dividend policy.

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Information will be “generally available” if:

- (a) it consists of readily observable matter; or
- (b) it has been brought to the attention of investors and a reasonable period for its dissemination has elapsed since it was brought to the attention of investors; or
- (c) it is derived from information that has been made public; or
- (d) it consists of observations, deductions, conclusions or inferences made or drawn from other generally available information.

4. Company’s policy on dealing in Company Securities

4.1 No short term trading

BML Personnel may not deal in Company Securities on a short term basis without permission from the Board of Directors. That is, BML Personnel may not buy and sell securities within a six month period without permission from the Board of Directors. In addition, BML Personnel may not enter into any other short term dealings (eg. forward contracts) without permission from the Board of Directors. However, the sale of shares immediately after they have been acquired through the conversion of a security (eg. exercise of an option) will not be regarded as short term trading.

4.2 Recommended trading period

The recommended times for any BML Personnel to deal in Company Securities is during the four week period from the:

- (a) release by the Company of a quarterly activities report to ASX;
- (b) release by the Company of its half-yearly results announcement to ASX;
- (c) release by the Company of its yearly results announcement to ASX;
- (d) release of a prospectus or other disclosure document offering equity securities in the Company; or
- (e) release by the Company of updated exploration results announcement to ASX, provided that the person is **not** at the time of dealing in possession of any inside information relating to the Company or its securities.

4.3 Prior approval for all dealing by Key Management Personnel

Key Management Personnel must not deal in Company Securities at any time (including during a recommended period under paragraph 4.2) without the prior approval of the Board of Directors. Key Management Personnel must also notify the Company Secretary of their intention to trade and provide the Company Secretary with subsequent confirmation of the trading that has occurred.

Key Management Personnel means a Director, executive or senior manager of the Company, or such other person who is “key management personnel” within the meaning of Accounting Standard AASB 124.

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Generally, dealing in Company Securities by Key Management Personnel should be limited to the recommended times referred to in paragraph 4.2 above. The Board of Directors may refuse consent to deal in Company Securities outside these recommended times unless exceptional circumstances exist (eg. financial hardship). In any event Key Management Personnel must not deal in Company Securities at any time if they are in possession of any inside information relating to those securities.

4.4 Closed periods applicable to Key Management Personnel

Key Management Personnel must refrain from dealing in Company Securities during the following periods (“**Closed Periods**”):

- (a) 15 days immediately before the release of the Company’s half-yearly and annual results;
- (b) 15 days immediately before the release of each of the Company’s quarterly cash flow and activities report; and
- (c) any other period determined by the Board from time to time to be a Closed Period, unless exceptional circumstances apply under paragraph 4.5.

4.5 Exceptional circumstances

Dealing in Company Securities by Key Management Personnel during a Closed Period may be permitted with the prior written approval of the Board of Directors if the following exceptional circumstances apply:

- (a) severe financial hardship;
- (b) in order to comply an undertaking given to, or an order by, a court; or
- (c) such other exceptional circumstances as may from time to time be determined by the Board of Directors.

4.6 Employees other than Key Management Personnel

Employees who are not Key Management Personnel may deal in Company Securities at any time provided the Employee notifies the Company Secretary before commencing the transaction and, after the transaction has occurred, provides confirmation of the trading. Employees are strongly advised to limit dealing in Company Securities to the recommended times referred to in paragraph 4.2 above. In any event, the Employees must not deal in Company Securities at any time if the Employee is in possession of any inside information relating to those securities.

4.7 Exceptions to the policy

Subject to the insider trading provisions of the Corporations Act, BML Personnel may at any time:

- (a) acquire ordinary shares in the Company by conversion of securities giving a right of conversion to ordinary shares;
- (b) acquire Company Securities under a bonus issue made to all holders of securities of the same class;
- (c) acquire Company Securities under a dividend reinvestment plan, a rights issue or a share purchase plan that is available to all holders of securities of the same class;
- (d) acquire, or agree to acquire, options under a Company share option plan;

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- (e) exercise options acquired under a Company share option plan (but may not sell all or part of the shares received upon exercise of the options other than in accordance with these procedures);
- (f) transfer the Company Securities already held into a superannuation fund or other saving scheme in which the BML Personnel is a beneficiary;
- (g) a lender exercises its rights to sell Company Securities under a margin lending or similar arrangement;
- (h) invest in, or trade unit of, a fund or other scheme where the assets of the fund are invested at the discretion of a third party; and
- (i) accept a takeover offer.

4.8 Margin loan arrangements

No Director may enter into a margin loan or similar funding arrangement under which the Company Securities owned, or proposed to be acquired, by the Director or any of their associates are used as collateral where the number of Company Securities subject to such arrangement (or any such arrangement previously entered into by the Director) exceeds 1% of the total number of shares in the Company then on issue except with the prior consent of the Board.

Where a Director subsequently enters into a margin loan or similar funding arrangement, the Director must within two business days notify the Company Secretary of the key terms of the arrangement, including the number of Company Securities which are subject to the arrangement, the events or circumstances which would entitle the lender to make a margin call or to unilaterally sell all or any Company Securities which are subject to the arrangement and any other material details.

Directors and other Key Management Personnel may sell Company Securities at any time where the disposal is the result of a secured lender exercising its rights under a margin lending or similar arrangement.

5. ASX notification by Directors

In accordance with the ASX Listing Rules, a Director must notify the ASX within five business days after any change in the Director's relevant interest in securities of the Company or a related body corporate of the Company.

A Director must notify the Company Secretary in writing of the requisite information for the Company Secretary to make the necessary notifications to ASIC and ASX as required by the Corporations Act and the ASX Listing Rules.

6. Consequences of breach

Breaches of the insider trading prohibition could expose Directors, officers and employees to criminal and civil liability. Breach of insider trading law or this policy will be regarded by the Company as serious misconduct which may lead to disciplinary action and/or dismissal.

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This policy does not contain an exhaustive analysis of the restrictions imposed on, and the very serious legal ramifications of insider trading. Directors, officers and employees who wish to obtain further advice on this matter are encouraged to contact the Company Secretary. Each Director, officer or employee has individual responsibility to ensure that they comply with both the law relating to insider trading, confidentiality and other requirements of this policy.

7. Further Information

If you have any questions or need further information on how to comply with this policy, please contact the Company Secretary.

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