



**ASX Code: BML**

**TO: COMPANY ANNOUNCEMENTS OFFICE  
ASX LIMITED**

**DATE: 15 FEBRUARY 2016**

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**NON-RENOUNCEABLE RIGHTS ISSUE  
LETTER TO SHAREHOLDERS**

The Company releases the attached letter regarding the non-renounceable rights issue which has been sent to the Company's shareholders.

**Pat Volpe  
Chairman**

**Botswana Metals Limited**  
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15 February 2016

«NAME1»  
«NAME2»  
«NAME3»  
«NAME4»  
«NAME5»  
«NAME6»

Dear Shareholder,

**Notification of pro-rata non-renounceable rights issue**

On 9 February 2016 Botswana Metals Limited (“the Company” and “BML”) announced a pro-rata non-renounceable seven for nine issue of fully paid ordinary shares (“the Rights Issue”). An Offer Document was lodged with the ASX on 12 February 2016 and will be sent to all eligible shareholders together with a personalised Entitlement and Acceptance Form on 23 February 2016.

This letter gives shareholders brief details of the Rights Issue, certain information required under the ASX Listing Rules, proposed use of funds and important dates. The Rights Issue is non-renounceable which means that rights cannot be traded or sold.

The Rights Issue is only open to eligible shareholders, being shareholders whose registered address is in Australia or New Zealand at 5:00 pm AEST on the Record Date. The Company has determined that it would be unreasonable to make offers under the Rights Issue to all shareholders with addresses outside of Australia and New Zealand (“Ineligible Shareholders”) having regard to the small number of shareholders, the value of their shareholdings and the costs of complying with legal and regulatory requirements in those jurisdictions. Accordingly, the Rights Issue is not being extended to Ineligible Shareholders. The Company will not appoint a nominee to sell shares that might have otherwise been issued to Ineligible Shareholders. Any entitlements to such shares will lapse and the relevant shares will form part of the shortfall. This letter constitutes the notice that the Company is required to give each Ineligible Shareholder under ASX Listing Rule 7.7.1(b).

Funds raised under the Rights Issue may be used to pay the costs of the issue, for working capital (including the corporate and administrative overheads of the Company), to pay creditors of the Company (including Directors for accrued and unpaid fees) and, if justified, minimal exploration on the Company’s prospecting licences that are outside the BCL joint venture, in particular PL 59/2008.

Details of the Rights Issue are as follows:

<b>Type of issue:</b>	Pro-rata non-renounceable issue of fully paid ordinary shares on a seven for nine basis. Fractional entitlements will be rounded up to the nearest whole number of shares.
<b>Amount payable:</b>	0.2 cent (\$0.002) per share.
<b>No. shares to be issued:</b>	Up to 505,572,770.
<b>Amount to be raised:</b>	\$1,011,145 before costs.
<b>Rights trading:</b>	Rights cannot be traded or sold.

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**Underwriting:** Trayburn Pty Ltd ("Trayburn") will partially underwrite the issue to a maximum of 151,135,489 shares for a total commitment of \$302,270.98. Mr Pat Volpe, Chairman and substantial shareholder of BML is a Director and substantial shareholder of Trayburn.

Monvale Investments Pty Ltd as trustee for The Omissam Trust ("Monvale") will partially underwrite the issue to a maximum of 25,000,000 shares for a total commitment of \$50,000.00. Mr Massimo Cellante, Director and shareholder of BML is a Director of Monvale and a beneficiary of The Omissam Trust.

The number of shares to be taken up by the underwriters will be scaled back so that the voting power of each underwriter and its associates in the Company does not exceed 20% after the issue of shares to applicants under the rights issue, the placement of any shortfall and the issue of the underwritten shares. Each underwriter will be paid a fee of 5% (plus GST) of the value of the shares underwritten.

**Shortfall:** Shareholders cannot apply for shares in excess of their entitlements. Placement of the shortfall (if any) will be managed by Foxfire Capital Pty Ltd ("Foxfire") on a best endeavours basis. Mr Pat Volpe, a Director and substantial shareholder of BML, is a shareholder of, and consultant to, Foxfire. Foxfire will be paid commission of 5% (plus GST) of the value of the shortfall shares placed.

**Listing:** The Company has applied to ASX to list the new shares.

**Important dates:**

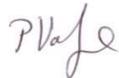
- 12 February 2016 Offer Document lodged with ASX.
- 16 February 2016 Existing shares quoted on an "ex" basis.
- 18 February 2016 Record Date to determine entitlements under the Rights Issue.
- 23 February 2016 Opening Date: Offer Document and Entitlement and Acceptance Forms despatched to eligible shareholders.
- 7 March 2016 Closing Date: Final date and time for receipt of acceptances and payment in full of the subscription monies.
- 5:00 pm (AEST)
- 8 March 2016 New shares quoted on a deferred settlement basis.
- 15 March 2016 Issue date: despatch of transaction confirmation statements (holding statements) and deferred settlement trading ends.
- 16 March 2016 Date of quotation of new shares issued under the Rights Issue.

The timetable is subject to change and is indicative only. The Company reserves the right to amend the timetable including, subject to the Corporations Act and the ASX Listing Rules, extending the Closing Date. The date that the new shares are expected to commence trading on the ASX may vary with any change to the Closing Date. The Company reserves the right not to proceed with the whole or part of the Rights Issue at any time prior to the Issue Date. In that event, application monies will be refunded in full without interest.

Full details of the terms of the Rights Issue are contained in the Offer Document which is available on the ASX website <http://www.asx.com.au/> by searching under the ASX code BML.

Yours sincerely,

**Botswana Metals Limited**



**Pat Volpe**  
Chairman