

DATE: 17 JULY 2014

ASX Code: BML

**TO: COMPANY ANNOUNCEMENTS OFFICE
ASX LIMITED**

Encouraging step-out hole 150M away hits sulphides further indicating the potential strike of 1.6KM of Maibele North.

The Board of Botswana Metals Limited (BML) is pleased to update the market on the current drill program at Maibele North. Holes 3 and 4 (MADD0059 and MADD0060) have been completed and intercepted sulphides with nickel mineralisation. So far the four holes drilled all intercepted mineralised Nickel sulphides and are part of a 30 hole (6000m) diamond drill program underway at the Maibele North Nickel –Copper- PGE project in Botswana.

Maibele North is one project within three Prospecting Licenses under a Farm In- Joint Venture between BCL Limited (a major mining and smelter operation in Botswana) and BML where drilling commenced at Maibele North in June 2014.

Details:

Hole 3: (MADD0059) intercepted massive sulphides, semi massive sulphides and disseminated sulphides of 10m from 104.4m.

Hole 4: (MADD0060) intercepted massive sulphides, semi massive sulphides and disseminated sulphides of 17.5m from 102.33m.

Hole 4 was a 150m step out hole from the Hole 3 twin hole.

Results of previous two holes are:

Hole 1: (MADD0057) intercepted 30m of massive sulphides, semi massive sulphides and disseminated sulphides from 90.32m

Hole 2: (MADD0058) intercepted ~37m of massive sulphides, semi massive sulphides and disseminated sulphides of from 69.5m.

All four holes drilled to date have intersected mineralised nickel sulphides over a confirmed drilled strike of 225m within a potential strike of at least 1.6km which is still open to the west, east and at depth. The next two holes will extend the drilled strike to ~370m.

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The diamond drill core is being cut and prepared for independent laboratory analysis for grade by metres intercepted and also ¼ of the cut core will be used for metallurgical (met) test work from plant and smelter comparability.

The market will be advised when the laboratory and met results are received.

Only 4 holes of a planned 30 holes program have been completed for an estimated 6,000m of diamond drilling utilising two of BCL's diamond drill rigs. The objective of the program is to complete twin, infill and step out drilling and to determine a JORC complicate resource in 6 months. If an economical resource can be calculated BCL will toll treat the ore just 55km away to its mining facilities and also can negotiate an off take agreement to treat the ore at its smelter also at Selebe Phikwe

The next two holes (5 and 6) to be drilled will extend the drill length to 350M.

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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.

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About BCL Limited

BCL Limited (“BCL”) is a world-class Botswana nickel mining and smelting operation owned by the Botswana Government (94%) and Russian giant Norilsk Nickel (6%).

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. BCL employs approximately 5,000 people in the township of Selebi Phikwe that has a population of 50,000.

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.

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.

The longevity of the BCL mine is dependent on additional ore outside of its existing Nickel resources being made available. BML is in a prime position to potentially provide addition ore to the BCL mine and smelter.

There are three Prospecting Licenses (PL’s) under the joint venture agreement that cover

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180SQKM of BML's 1,000 SQKM exploration portfolio. The joint venture area covers three known mineralization zones and an area to the East with twenty three VTEM anomalies. The three mineralized areas are known as Maibele North (Nickel + Copper + PGE's), Airstrip Copper (Copper + Silver) and Dibete (Copper + Silver). To the East of these mineralized areas, the PL known as Takane has the twenty three VTEM anomalies recently identified and will be the subject of further exploration in this untested zone.

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.

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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