

**TO: COMPANY ANNOUNCEMENTS OFFICE  
ASX LIMITED**

**DATE: 27 JULY 2015**

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**EXPLORATION COMMENCES AT BML 100% OWNED PL 59/2008**

**SQUID EM technology starts on three priority VTEM targets at Mashambe (one anomaly) and Maibele North Extension (two anomalies).**

The Board of Botswana Metals Limited (BML) is pleased to advise that exploration has commenced on the Company's 100% owned prospecting licence PL 59/2008.

The SQUID TDEM technology has been commissioned and is now on site with the objective of identifying further conductive anomalies at the three priority VTEM anomalous target zones, two at Maibele North Extension and one at Mashambe as shown in Figure 1 below.

**Significant Points:**

- These VTEM anomalies lie along strike from the Maibele North orebody only 4km away.
- To date every SQUID anomaly drilled at Maibele North has intersected Nickel Sulphides.
- The SQUID and VTEM data will be used to fast track anomalies to a "drill ready status" for immediate drilling.

**Background:**

- The SQUID EM technique has been very successfully used to identify additional conductor targets at Maibele North.
- The SQUID will be used over the three priority prospects 100% owned by BML which are along strike and to the East of Maibele North and have similar geological and geophysical settings.

**Botswana Metals Limited**

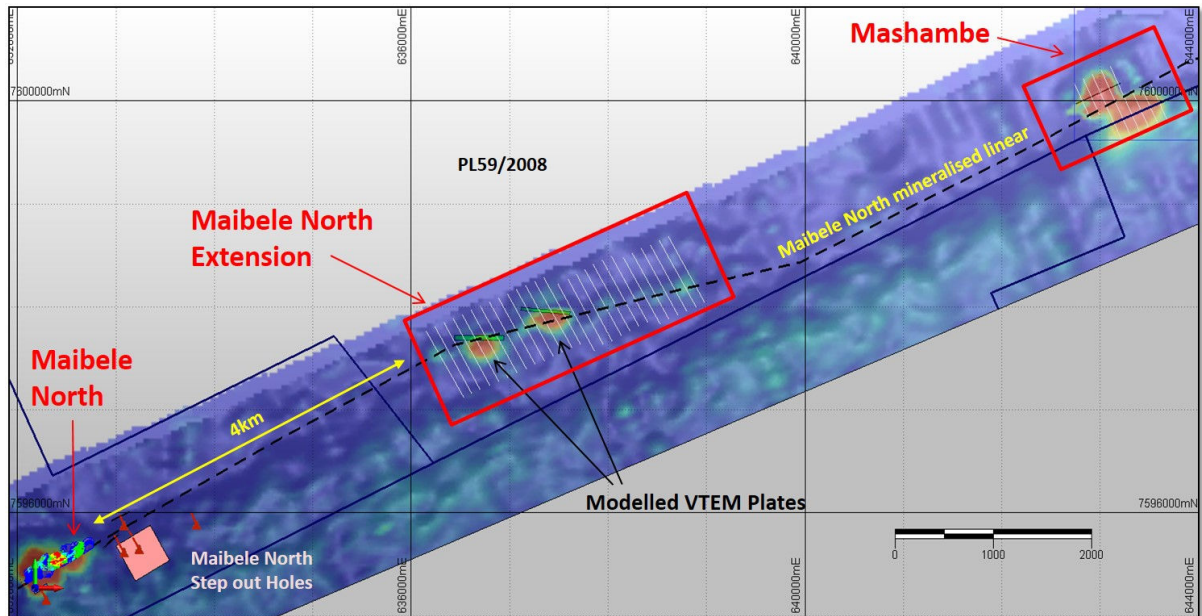
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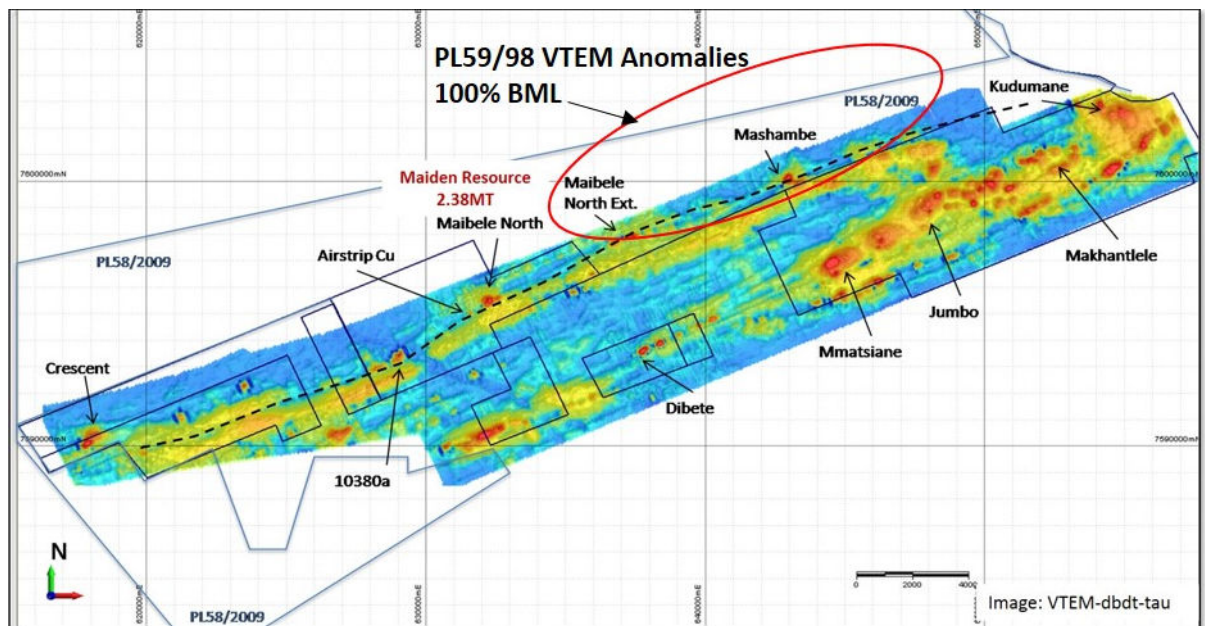
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**Figure 1: VTEM image showing the position of the PL 59 prospects along strike from Maibele North.**



**Figure 2: Shows the potential strike length and its direction through BLMs 100% owned PL 59/2008. The three VTEM anomalies show up in red at Maibele North Extension and Mashambe.**

## **Prospect Details**

PL 59/2008 is considered particularly attractive because it contains a number of prospects that lie along strike from Maibele North on a geological horizon that is interpreted to be a preferential host to Ni - Cu mineralisation in the district.

The PL contains two priority prospects, Maibele North Extension and Mashambe, which show good indicators of potential Ni + Cu mineralisation similar to that displayed at Maibele North and have been discovered through soil geochemical surveys, geological mapping and airborne VTEM surveys. Strong conductors that are coincident with elevated Ni + Cu soil geochemistry and ultramafic rock-types are present at both prospects.

The prospects lie along an interpreted geological horizon that contains a number of Ni + Cu occurrences including the Maibele North Resource, with Maibele Extension some 4 km east of Maibele North and Mashambe a further 6km east of Maibele North Extension.

A third target, Mashambe Northeast, lies some 5km along strike from Mashambe and, although it displays similar geological and geophysical features, is a second priority due to less exploration having been undertaken there to date.

### **Maibele North Extension**

- ~4km from Maibele North.
- Ultramafic Rock-types present.
- Two modelled VTEM Conductors – 11420a, 11470a.
- Favourable Cu and Ni soil geochemical anomalies.

### **Mashambe**

- 10km from Maibele North, 6km from Maibele North Extension.
- Ultramafic Rock-types present.
- Associated modelled VTEM Conductor – 11870b.
- Favourable Cu and Ni soil geochemical anomalies.

### **Mashambe North East**

- 15km from Maibele North, 4km from Mashambe.
- Ultramafic Rock-types present.
- Associated modelled VTEM Conductor 12100a.
- Favourable Cu and Ni soil geochemical anomalies.

It should also be noted that highly elevated Zinc soil geochemical anomalies also exist at Mashambe and rock chips of up to 0.79g/t Au have been collected at Mashambe Northeast.

These, along with any other features of interest will be followed up in the course of the exploration program.

### **Program Details**

The exploration program on PL 59 is designed to quickly identify drill targets indicative of Ni-sulphide mineralisation for first-pass RC drill testing. The initial phase of exploration will include detailed SQUID TDEM surveys over previously identified VTEM anomalies at both Maibele North and Mashambe. The SQUID system employs cutting edge, ultra-sensitive electromagnetic sensors to detect conductors far deeper than conventional EM technology and has been recently used to great effect at the nearby Maibele North deposit. All SQUID conductors drilled at Maibele North to date have shown significant levels of sulphide mineralisation and have confirmed the effectiveness of the SQUID technique in this terrain.

Spectral Geophysics from Gaborone, Botswana, has been commissioned to undertake the surveys in the coming weeks and were the contractors who successfully identified new conductors currently being drilled at nearby Maibele North.

### **SQUID EM TECHNOLOGY:**

A **SQUID (superconducting quantum interference device)** is a very sensitive magnetometer used to measure extremely subtle magnetic fields, based on superconducting loops containing Josephson junctions. The SQUID technology has many uses and is often employed in the medical industry in such application as Magnetic Resonance Imaging (MRI). In minerals exploration, the SQUID EM technique can be used to accurately detect very deep conductors potentially associated with sulphide accumulations.

### **Patrick Volpe Chairman**

*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.*