
**BOTSWANA METALS LIMITED
AND ITS CONTROLLED ENTITIES**

ACN 122 995 073

**HALF-YEAR REPORT
31 DECEMBER 2014**

Lodged with the ASX under Listing Rule 4.2A

This information should be read in conjunction with the 30 June 2014 Annual Report.

**BOTSWANA METALS LIMITED AND ITS CONTROLLED ENTITIES
HALF-YEAR REPORT – 31 DECEMBER 2014****CONTENTS**

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CORPORATE DIRECTORY

Directors: Mr Patrick John Volpe (Executive Chairman)
Dr Paul Woolrich (Non-executive Director)
Mr Massimo Cellante (Non-executive Director)

Company Secretary: Mr Ramon Jimenez

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Bankers: Bank of Melbourne
Level 8
530 Collins Street
MELBOURNE VIC 3000

Auditor: William Buck
Level 20
181 William Street
MELBOURNE VIC 3000

Stock Exchange: ASX Limited
Level 4
Rialto North Tower
525 Collins Street
MELBOURNE VIC 3000

DIRECTORS' REPORT

Your Directors submit the financial report on the consolidated entity consisting of Botswana Metals Limited ("BML" and "the Company") and the entities it controlled ("the Group") at the end of, or during the half-year ended 31 December 2014.

DIRECTORS

The following persons were Directors of the Company during or since the end of the half-year and were in office for the entire period unless otherwise stated:

Mr Patrick John Volpe
 Dr Paul Woolrich
 Mr Massimo Cellante

REVIEW OF OPERATIONS

CORPORATE ACTIVITY

Cash

The Consolidated Entity had \$483,065 in the Bank as at 31 December 2014.

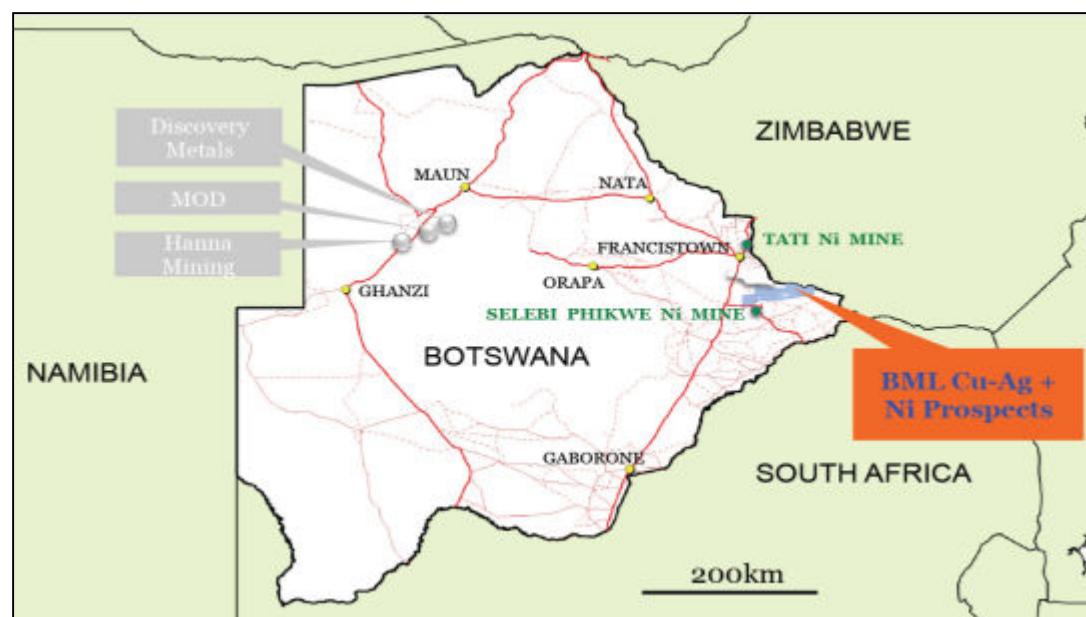
Securities

A total of 215,675 options exercisable at 1.5 cents (\$0.015) per option expiring on 31 December 2016 were exercised and \$3,236 was received by the Company. The Company issued 215,675 new fully paid ordinary shares on the exercise of the options. No other options were exercised or lapsed and no other securities were issued.

EXPLORATION ACTIVITY

Tenement Portfolio

The following map shows the location of the Group's exploration portfolio in Botswana.



A map of the tenement areas is as follows.



A Schedule of Prospecting Licences held by the Group in Botswana is listed in the following table.

Tenement	Renewal / Expiry Date	Percentage Holding	Title Holder
Magogaphate PL 110/94	31/03/2016	100	African Metals (Pty) Ltd
Mokoswane PL 111/94	31/03/2016	100	African Metals (Pty) Ltd
Takane PL 54/98	31/03/2016	100	African Metals (Pty) Ltd
Shashe South PL 059/2008	30/09/2016	100	African Metals (Pty) Ltd
Central PL 070/2008	30/09/2016	100	African Metals (Pty) Ltd
Central Sampa PL 111/2011	30/06/2014	100	African Metals (Pty) Ltd

African Metals (Pty) Ltd is a wholly owned subsidiary of the Company.

Mineral Holdings (Botswana) Pty Ltd holds a 5% net profit share interest in PL 110/94, PL 111/94 and PL 54/98.

Application was made to renew PL 111/2011 prior to its expiry date and a decision on the application by the Department of Mines in Botswana is pending.

PL 126/2011 expired on 30/09/2014 and was not renewed. The Group did not acquire or dispose of any other tenements or beneficial interests in farm-in agreements during the half-year to 31 December 2014. However several new Prospecting Licence applications were lodged with the Department of Mines in February 2015.

Maibele North PL 110/94 (subject to farm-in agreement with BCL Limited)

Drilling

- Working with its farm-in partner, BCL Limited, a 6,130 metre drill program was completed.
- Drilling completed included metallurgical holes, infill and step out holes over the historical Maibele mineralised zone.
- All drill core sample assay results received from SGS laboratory

Laboratory Results

- Major mineralised sulphide intercepts of Ni+Cu+PGEs including multiple zones in excess of 20 metres in thickness were encountered.
- New zone of Ni-sulphide mineralisation discovered 250 m east along strike of the known mineralisation at a vertical depth of ~400m.
- Drilled mineralisation zone extends to over 900m and remains open at depth and to the East and West.
- Mineralisation occurs close to surface and demonstrates potential for both open pit and underground mining.
- Maibele mineralised horizon potentially extends for 16 km strike length.
- All holes drilled have intersected sulphides and most contain significant nickel mineralisation.

Appointment of MSA Group

MSA group appointed to perform a JORC compliant resource calculation in the March quarter of 2015.

Further Work

The Group agreed with BCL Limited to:

- Commission a metallurgical study with results expected towards the end of the March quarter of 2015.
- Undertake downhole electromagnetic surveying in the March quarter of 2015 to select additional drill targets.
- Recommence drilling in the March quarter of 2015 to extend the known resource.

The Maibele North drill program achieved all milestones and is now awaiting to see if a JORC Code (2012) compliant resource can be achieved as a result of the drilling. The next step will be to carry out a scoping study to determine if the resource is economical to mine.

Takane PL 54/98 (subject to farm-in agreement with BCL Limited)

Exploration field work continued on the six VTEM targets selected (four for nickel and two for gold). The work included mapping and soil sampling which will be used to plan a program of trenching and geophysics using TDEM (Time Domain Electro Magnetics) which will commence in the next quarter to identify drill targets.

Maibele North Extension PL 59/2008

Prospecting Licence PL59/2008 was renewed by the Department of Mines in Botswana for a further two years until 30 September, 2016.

A review of this tenement which is 100% owned by the Group identified several potential drill targets for nickel and copper where surface outcropping ultramafic indicators similar to Maibele North are present. The Directors are considering their options for exploration on this tenement.

PL 70/2008

This prospecting licence was renewed by the Department of Mines in Botswana for a further two years until 30 September, 2016. No exploration activities were conducted during the half-year.

PL 111/2011

The Group applied to renew PL 111/2011 on 31 March 2014. No correspondence was received during the half-year on the status of this application. No exploration activities were conducted during the half-year pending a decision on the renewal application.

PL 126/2011

This tenement expired on 30 September 2014 and the Group decided not to renew it.

PL 158/2009 and PL 360/2008

In June 2013 the Group was advised that the Department of Mines in Botswana had rejected the first renewal application on these two prospecting licences on the basis that the Group did not drill the anomalies identified.

The rejection was made even though the Group exceeded the proposed budget work expenditure program detailed in the application for these licences.

The Group has objected to this determination and in October 2013 received confirmation from the DOM that the objection had been received.

There was no other advice received in the half-year as to the status of this objection. Follow up correspondence was sent to the DOM in September 2014. No response has been received from the DOM.

Joint Venture with BCL

BML entered into a Joint Venture agreement with BCL, a major Botswana mining and smelting company owned by the Botswana Government.

The agreement relates to three of BML's Prospecting Licences ("PLs") in Botswana where the Group has made three discoveries: Maibele North (nickel, copper and platinum group elements), Airstrip Copper (copper and silver) and Dibete (copper and silver).

Under the agreement, following an initial A\$4 million drilling program to earn 40% of the three PLs, 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 BCL's operations at Selebi Phikwe (55km to the SW) for processing.

BML will retain a 30% interest after the BFS is completed, at which time the management of the projects will be transferred to BCL.

The agreement covers approximately 143km² of BML's total exploration portfolio of 1,500km². BCL will have the first right of refusal to participate in any exploration activity over any of BML's other PLs.

The initial exploration (\$4m) spend by BCL will focus on aggressively drilling these two projects over the three discovery areas to increase the known resources. Additional mineral resources at both Maibele North and Airstrip-Dibete are critical in producing a viable project(s).

If this is achieved, then BCL will fund the Bankable Feasibility Study ("BFS") and earn 70% of the projects along with having the rights to off take ore at commercial rates. The Joint Venture partnership makes sense as the BML discovery projects:

- Are only 55km from BCL's nickel-copper mine, process plant and smelter.
- At Maibele North, the Ni + Cu + PGE mineralisation is similar to that being mined by BCL.
- BCL has established crushing, milling, flotation and smelter plants available that can in effect "toll treat" the joint venture ore. This will significantly reduce any capital outlay in developing the project(s).
- BCL has the marketing and sales team in place with international client base to sell the final product.
- BCL will provide BML and the joint venture with the expertise, logistics and access to plant and equipment.

SUBSEQUENT EVENTS AFTER THE END OF THE REPORTING PERIOD

The Group is not aware of any subsequent events after the end of the reporting period to be included in these financial statements other than:

- On 13 January 2015 the Company announced to the ASX the details of the final batch of assay results received from the exploration activities at Maibele North.
- On 9 February 2015 the Company announced to the ASX that BCL had approved further exploration work at Maibele North to potentially expand the resource by undertaking DHEM (Down hole electromagnetic surveying) and further drilling.
- On 27 February 2015, in accordance with shareholder approval obtained at the Annual General Meeting held on 28 November 2014, 3,000,000 Performance Rights were issued to Mr Patrick John Volpe and 500,000 Performance Rights were issued to Dr Paul Woolrich. The rights will only be exercisable into Ordinary Shares if the following performance conditions are met:
 - the Company defines a JORC compliant inferred resource prior to 30 June 2015; and
 - the Director is still a Director of the Company on 30 June 2015.

If the conditions are met then the Performance Rights will vest and may be exercised into Ordinary Shares on a one-for-one basis.

- During February 2015 a number of applications for new prospecting licences were lodged with the Department of Mines in Botswana.

AUDITOR'S DECLARATION

The auditors' independence declaration under section 307C of the Corporations Act 2001 is set out on page 8.

This report is made in accordance with a resolution of the Directors made on 16 March 2015.



P.J. VOLPE
Director

Dated 16 March 2015.
Kew, Victoria

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF BOTSWANA METALS LIMITED

I declare that, to the best of my knowledge and belief during the year ended 31 December 2014 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

William Buck

William Buck Audit (VIC) Pty Ltd
ABN 59 116 151 136

J. C. Luckins

J. C. LUCKINS
Director

Dated this 16th day of March, 2015

**CHARTERED ACCOUNTANTS
& ADVISORS**

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Hawthorn East VIC 3123

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**CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	Consolidated	
	31/12/2014	31/12/2013
	\$	\$
Revenue		
Other income	18,373	42,534
Administrative expenses	(34,191)	(67,271)
Depreciation	(1,752)	(6,802)
Directors' remuneration	(195,000)	-
Employment & consultancy	(50,849)	(30,862)
Professional fees	(10,501)	(16,956)
Travel & marketing	(58,111)	(4,152)
Net foreign exchange gain / (loss)	-	2
Other expenses from ordinary activities	(58,614)	(115,249)
Loss from Ordinary Activities before Income Tax Expense	(390,645)	(198,756)
Income Tax Expense	-	-
Loss from Ordinary Activities after Income Tax Expense attributable to owners of the parent	(390,645)	(198,756)
Other Comprehensive Income that may be subsequently reclassified to profit or loss		
Exchange differences from translation of foreign controlled operations	346,561	15,655
Total Comprehensive Loss for the half-year attributable to owners of the parent	(44,084)	(183,101)
Loss per share:		
Basic and diluted loss per share (cents per share)	(0.07)	(0.07)

The accompanying notes form part of these financial statements

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014**

	Consolidated	
	31/12/2014	30/6/2014
	\$	\$
Assets		
Current Assets		
Cash and cash equivalents	483,065	894,729
Trade and other receivables	155,149	196,673
Total Current Assets	638,214	1,091,702
Non-Current Assets		
Plant and equipment	21,363	40,194
Capitalised exploration and expenditure	7,284,636	6,874,599
Total Non-Current Assets	7,305,999	6,914,793
Total Assets	7,944,213	8,006,495
Current Liabilities		
Trade and other payables	393,682	415,116
Total Current Liabilities	393,682	415,116
Total Liabilities	393,682	415,116
Net Assets	7,550,531	7,591,379
Equity		
Issued capital	15,434,593	15,431,357
Reserves	(2,231,169)	(2,577,730)
Accumulated losses	(5,652,893)	(5,262,248)
Total Equity	7,550,531	7,591,379

The accompanying notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	Issued Share Capital	Share Options Reserve	Accumulated Losses	Foreign Currency Translation Reserve	Total Equity
	\$	\$	\$	\$	\$
Balance at 1 July 2013	13,986,378	-	(4,430,614)	(2,267,593)	7,288,171
Net loss for the half-year	-	-	(198,756)	-	(198,756)
Other comprehensive income for the half-year	-	-	-	15,655	15,655
Issue of ordinary shares	564,471	-	-	-	564,471
Cost of capital raising	(50,518)	-	-	-	(50,518)
Balance at 31 December 2013	14,500,331	-	(4,629,370)	(2,251,938)	7,619,023
Balance at 1 July 2014	15,431,357	60,000	(5,262,248)	(2,637,730)	7,591,379
Net loss for the half-year	-	-	(390,645)	-	(390,645)
Other comprehensive income for the half-year	-	-	-	346,561	346,561
Issue of ordinary shares	3,236	-	-	-	3,236
Cost of capital raising	-	-	-	-	-
Balance at 31 December 2014	15,434,593	60,000	(5,652,893)	(2,291,169)	7,550,531

The accompanying notes form part of these financial statements

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF- YEAR ENDED 31 DECEMBER 2014**

	Consolidated	
	31/12/2014	31/12/2013
	\$	\$
Cash Flows from Operating Activities		
Payments to suppliers and employees	(365,146)	(263,266)
Interest received	3,288	1,449
Other income	16,209	45,194
Net cash and cash equivalents provided by (used in) operating activities	(345,649)	(216,623)
Cash Flows from Investing Activities		
Loans to other entities	-	(1,607)
Loans repaid by other entities	-	2,953
Exploration expenditure	(69,251)	(104,465)
Net cash and cash equivalents provided by (used in) investing activities	(69,251)	(103,119)
Cash Flows from Financing Activities		
Loans received	-	50,000
Loans repaid	-	(50,000)
Proceeds from issue of shares	3,236	564,471
Costs of capital raising	-	(50,518)
Net cash and cash equivalents provided by (used in) financing activities	3,236	513,953
Net increase (decrease) in cash held	(411,664)	194,193
Cash and cash equivalents at 1 July	894,729	192,926
Effect of exchange rates on cash holding in foreign currencies	-	-
Cash and cash equivalents at 31 December	483,065	387,101

The accompanying notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF- YEAR ENDED 31 DECEMBER 2014

NOTE 1 BASIS OF PREPARATION OF HALF-YEAR FINANCIAL REPORT

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134: *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

Basis of preparation

Except for cash flow information, these financial statements have been prepared on an accruals basis and are based on historical costs.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Group's 2014 annual financial report for the financial year ended 30 June 2014.

The consolidated entity has adopted all of the new and revised accounting standards issued and effective for the current period. The adoption of these new and revised standards had no material impact on the reporting position or performance of the consolidated financial statements.

Going Concern

During the half-year the Group generated a loss after tax of \$390,645 (2013: \$198,756) and incurred net cash outflows from operations of \$345,649 (2013: \$216,623). As at 31 December 2014 the Group had available cash reserves of \$483,065 (\$894,729 as at 30 June 2014) and net available working capital of \$244,532 (\$676,586 as at 30 June 2014). Net investment outflows for the half-year attributable to its exploration program were \$69,251 (2013: \$104,465). All future planned exploration expenditures are cancellable at the discretion of the Group.

For the 12 months from the date of this report management has prepared a cash flow forecast which contemplates the following significant cash flows:

- future capital raising activities; and
- control of costs, as and where appropriate.

Since 1 January 2014 Directors are paid 50% of their standard remuneration in cash with the balance accrued. Directors have confirmed that accrued director's fees will not be paid in cash for a period of at least 12 months from the date of this report or until such earlier time that the Directors determine is appropriate having regard to the financial position of the Group (for example if the Group completes a capital raising). The Group continues to maintain careful stewardship of its cash resources and expenditures and outflows are minimised wherever possible, such that the directors have the ability to reduce cash outflows to a level where existing working capital is sufficient to meet contractually binding expenditures for a period of at least 12 months from the date of this report.

The Group has been able to reduce cash flows on its exploration program through the Farm-in Joint Venture Agreement which is discussed below.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF- YEAR ENDED 31 DECEMBER 2014
(CONTINUED)**

NOTE 1 BASIS OF PREPARATION OF HALF-YEAR FINANCIAL REPORT (CONTINUED)

The Group has a proven track record of raising capital to fund its activities and in excess of \$15M has been raised since incorporation.

Should the Group not successfully achieve these assumptions set out in its cash flow forecast as described above, it may be unable to realise its assets, nor acquit its liabilities, in accordance with its basis of preparation on these financial statements.

PL 110/94, PL111/94 and PL 54/98 – tenements subject to joint venture

The Group has entered into an amended Farm-in Joint Venture Agreement (“the Agreement”) with BCL Limited (“BCL”), a major Botswana mining and smelting company owned by the Botswana Government.

The Agreement relates to three of the Group’s Prospecting Licences in Botswana where BML has made three discoveries: the Maibele North Ni-Cu-PGE project, the Airstrip Copper Cu-Ag project and the Dibete Cu-Ag project.

On 1 April 2014 the farm-in commenced and since that date exploration activities have been conducted on a joint basis with BCL funding all costs. Under the Agreement, following an initial AUD4 million exploration program to earn a 40% interest in the three PLs, BCL has the option to continue to fund the projects to the completion of a Bankable Feasibility Study to earn a 70% interest.

The joint venture agreement funds the Group’s exploration activities on the three tenements, including the administration costs in Botswana, for a period of two years.

The Group is not required to make any funding contribution to the joint venture until the completion of a Bankable Feasibility Study. At that time the Group will consider its available options which include commencing contributions to the joint venture (which may require the Group to seek further equity or debt capital) or the sale of the Group’s interest in the joint venture.

The Group expects that the expenditure on the tenements and the completion of the Bankable Feasibility Study will enhance the value of the tenements and thereby benefit the Group.

Other Prospecting Licences

The Group may carry out exploration on its other areas at its discretion and subject to the availability of funds, however there is no obligation to carry out such exploration. In addition, BCL has a first right of refusal to fund exploration on these other areas and therefore activities may be undertaken at no cost to the Group.

NOTE 2 CONTINGENT LIABILITIES

The Group’s contingent liabilities have not changed materially since 30 June 2014.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF- YEAR ENDED 31 DECEMBER 2014
(CONTINUED)**

NOTE 3 SUBSEQUENT EVENTS AFTER THE END OF THE REPORTING PERIOD (CONTINUED)

The Group is not aware of any subsequent events after the end of the reporting period to be included in these financial statements other than:

- On 13 January 2015 the Company announced to the ASX the detail of the final batch of assay results received from the exploration activities at Maibele North.
- On 9 February 2015 the Company announced to the ASX that BCL had approved further exploration work at Maibele North to potentially expand the resource by undertaking DHEM (Down hole electromagnetics) and further drilling.
- On 27 February 2015, in accordance with shareholder approval obtained at the Annual General Meeting held on 28 November 2014, 3,000,000 Performance Rights were issued to Mr Patrick John Volpe and 500,000 Performance Rights were issued to Dr Paul Woolrich. The rights will only be exercisable into Ordinary Shares if the following performance conditions are met:
 - the Company defines a JORC compliant inferred resource prior to 30 June 2015; and
 - the Director is still a Director of the Company on 30 June 2015.

If the conditions are met then the Performance Rights will vest and may be exercised into Ordinary Shares on a one-for-one basis.

- During February 2015 a number of applications for new prospecting licences were lodged with the Department of Mines in Botswana.

NOTE 4 SEGMENT INFORMATION

For the six months to 31 December 2014 the Group continued to operate solely on exploration of mineral resources in Africa.

NOTE 5 CAPITAL AND LEASING COMMITMENTS

The Group's capital commitments have not changed materially since 30 June 2014.

The Company occupies premises provided by Cohiba Minerals Limited (a company of which Mr Pat Volpe is a Director and substantial shareholder). The lease ended on 9 February 2015 and the Company is now a month-to-month tenant at a rent of \$1,161 per month.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF- YEAR ENDED 31 DECEMBER 2014
(CONTINUED)

NOTE 6 CAPITALISED EXPLORATION AND EVALUATION

The exploration and evaluation expenditure relates to the Group's projects in Botswana.

	Consolidated Group	
	31/12/2014	30/06/2014
	\$	\$
Capitalised exploration and evaluation (at cost)	7,284,636	6,874,599
Movements in carrying values		
Balance at beginning of period	6,874,599	7,105,794
Expenditure during the period	53,448	200,868
Expenditure impaired during the period	-	(84,070)
Foreign currency translation	356,589	(347,993)
Balance at period end	7,284,636	6,874,599

Recoverability of the carrying amount of exploration assets is dependent on the successful exploration and sale of base and precious metals.

NOTE 7 CONTRIBUTED EQUITY

	Company	
	31/12/2014	30/06/2014
	\$	\$
568,822,164 Fully Paid Ordinary Shares (30 June 2014 – 568,606,489)	15,434,593	15,431,357
410,233,933 options exercisable at 1.5 cents per option expiring 31 December 2016 (30 June 2014 – 410,449,608)	-	-
	15,434,593	15,431,357

Movements in ordinary share capital

	31/12/2014		30/06/2014	
	No.	\$	No.	\$
Fully paid ordinary shares				
At the beginning of the period	568,606,489	15,431,357	188,156,881	13,986,378
Shares issued during the period	215,675	3,236	380,449,608	1,564,471
Share issue costs	-	-	-	(119,492)
At the end of the period	568,822,164	15,434,593	568,606,489	15,431,357

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF- YEAR ENDED 31 DECEMBER 2014
(CONTINUED)**

NOTE 7 CONTRIBUTED EQUITY (CONTINUED)

During the half-year 215,675 options were exercised at 1.5 cents (\$0.015) per option and 215,675 fully paid ordinary shares were issued. As a result of the exercise of options, the number of options on issue decreased from 410,449,608 to 410,233,933. No other options were exercised or lapsed and no other securities were issued.

NOTE 8 RELATED PARTY TRANSACTIONS

The following related party transactions (other than remuneration of Directors and employees) occurred during the half-year on normal commercial terms and conditions:

- The Company paid consulting fees of \$9,375 to Woolrich & Associates Pty Ltd.
- The Company paid rent of \$6,336 to Cohiba Minerals Limited.
- Cam Bow Holdings (Pty) Ltd (“CBH”) invoiced African Metals (Pty) Ltd (“AML”) \$16,544 for contractor fees and AML paid \$4,393 on behalf of CBH.

The above amounts are net of any applicable GST.

Dr Paul Woolrich is a Director and shareholder of Woolrich & Associates Pty Ltd. Mr Pat Volpe is a Director and substantial shareholder of Cohiba Minerals Limited and Cam Bow Limited. CBH is a wholly owned subsidiary of Cam Bow Limited.

Related parties were reimbursed for out-of-pocket expenses they paid for the Company and vice versa.

DIRECTORS' DECLARATION

The Directors declare that the financial statements and notes set out on pages 9 to 17.

- a) comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001 and the Corporations Act 2001; and
- b) give a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half year ended on that date.

In the Directors' opinion there are reasonable grounds to believe that Botswana Metals Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors made on 16 March 2015.



P J VOLPE
Director

Dated 16 March 2015.
Kew, Victoria

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF BOTSWANA METALS LIMITED AND CONTROLLED ENTITIES

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Botswana Metals Limited (the company) and the entities it controlled at the half-year's end or from time to time during the half year (the consolidated entity), which comprises the consolidated condensed statement of financial position as at 31 December 2014, the consolidated condensed statement of profit or loss and other comprehensive income, consolidated condensed statement of changes in equity and consolidated condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including:

- giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and
- complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

As the auditor of Botswana Metals Limited ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CHARTERED ACCOUNTANTS & ADVISORS

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF BOTSWANA METALS LIMITED AND CONTROLLED ENTITIES (CONT)

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Botswana Metals Limited is not in accordance with the Corporations Act 2001 including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half year ended on that date; and
- b) complying with Australian Accounting Standard 134 Interim Financial Reporting and the Corporations Regulations 2001.

Emphasis of Matter

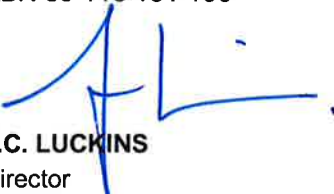
Without modifying our conclusion, we draw attention to Note 1 in the half year financial report which indicates that the consolidated entity incurred a net loss from ordinary activities after income tax expense attributable to the parent entity of \$390,645 and total cash outflow of \$411,664 during the half year ended 31 December 2014. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Matters Relating to the Electronic Presentation of the Reviewed Half Year Financial Report

This auditor's review report relates to the half year financial report of Botswana Metals Limited for the half year ended 31 December 2014 included on Botswana Metals Limited's web site. The company's directors are responsible for the integrity of the Botswana Metals Limited's web site. We have not been engaged to report on the integrity of the Botswana Metals Limited's web site. The auditor's review report refers only to the half year financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the reviewed half year financial report to confirm the information included in the reviewed financial report presented on this web site.



William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136



J.C. LUCKINS
Director

Dated this 16th day of March, 2015