

THIS IS A PRIORITY ITEM:

DATE: 27TH May 2015

ASX Code: BML

TO: COMPANY ANNOUNCEMENTS OFFICE ASX LIMITED

SIGNIFICANT ~8200M NEW DRILLING COMMENCES AT MAIBELE NORTH.

AGGRESSIVE DRILL PROGRAM WITH UP TO FOUR DRILL RIGS PLANNED.

AIM TO:

- **UPGRADE THE CURRENT RESOURCE FROM INFERRED TO INDICATED WITH INFILL DRILLING**
- **COMPLETE ADDITIONAL METALLURGICAL HOLES TO CARRY OUT MORE DETAILED TEST WORK TO MAXIMISE RECOVERY OF Ni, Cu, Co & PGEs**
- **STEP OUT DRILL HOLES ON SELECTED DOWN HOLE AND GROUND EM TARGETS THAT HAVE POTENTIAL TO EXTEND THE KNOWN MINERALISATION AND INCREASE THE RESOURCE.**

Other highlights:

- **two drill rigs deployed to site with up to four rigs planned to be used in this aggressive drill program of at least ~8200m**
- **one of several step out holes planned will test an EM anomaly 1km to the East of the Maibele North resource model.**

The program is designed to evaluate the economic potential to mine the ore at Maibele North and process it through the existing BCL Processing and Smelter operations at Selebi Phikwe, which is situated only 55km away from the BML resource.

The joint venture completed a ~6000m drill and exploration program in 2014.

The Board of Botswana Metals Limited (“BML”) is pleased to announce that it will immediately commence a second extensive drilling program at the Maibele North Nickel

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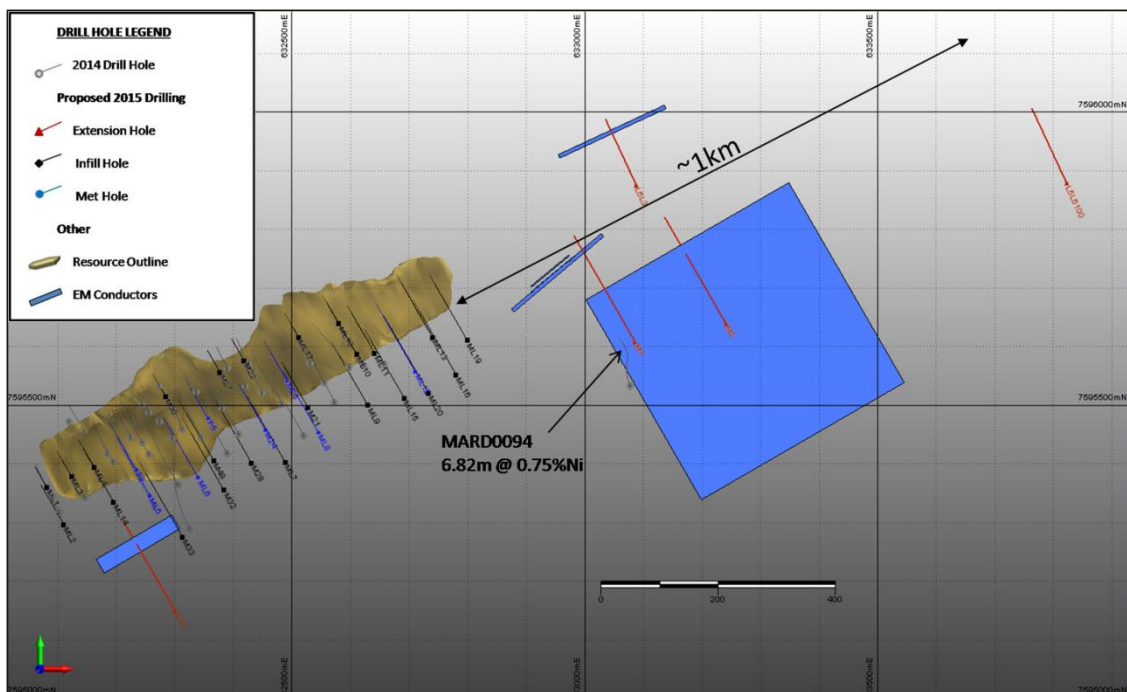
(+ Copper + PGE) Joint Venture prospect between BCL Limited (BCL) and BML. Two drill rigs have now been deployed to site with another two rigs expected shortly.

A program of approximately 8170 metres of Reverse Circulation and Diamond Drilling has been designed to provide both increased resource confidence and to grow the resource in preparation for a potential Pre-Feasibility Study and an eventual Mining Licence application.

This extensive campaign demonstrates the JV's encouragement from the initial ~6000m drill program conducted in 2014 and the results of the maiden JORC 2012 compliant Resource of 2.38Mt announced in April 2015.

In addition to the positive drilling and resource results, a detailed ground Electromagnetic survey undertaken over the prospect in March 2015 has identified numerous untested conductors both adjacent to, and along strike from, the current resource. The planned drill program will test these extremely promising conductor targets.

The eastern-most planned hole will be testing for mineralisation approximately 1km beyond the existing resource model.



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Figure 1: Proposed Step out Holes to be drilled: *Plan view of the Maibele North orebody (gold shape) with the Infill Holes (black), Extension holes (Red) and Met Holes (Blue) highlighted. The blue rectangles represent conductors recently identified in ground EM surveys.*

Program Details

The proposed drill program has been designed to achieve multiple outcomes that, if successful, will improve the resource and allow relevant mining studies to commence. The three main aims of the program include:

- **Resource Upgrade** – Infill drilling to allow a resource upgrade to Indicated status suitable for undertaking pre-feasibility studies
- **Resource Extension** – numerous geophysical and mineralised target zones along strike of the current resource remain untested. Any additional resource tonnes will add significant upside to mining feasibility studies
- **Metallurgical and Geotechnical** – Collection of further met samples is required to further advance the positive recovery test work so far undertaken. Geotechnical drill holes are required to allow necessary engineering and mine planning for feasibility studies.

Drilling will deploy 2 drill rigs (one RC and one diamond rig) on site. The JV plans to mobilise up to 4 drill rigs to Maibele North in an effort to accelerate the ~8200m drill program.

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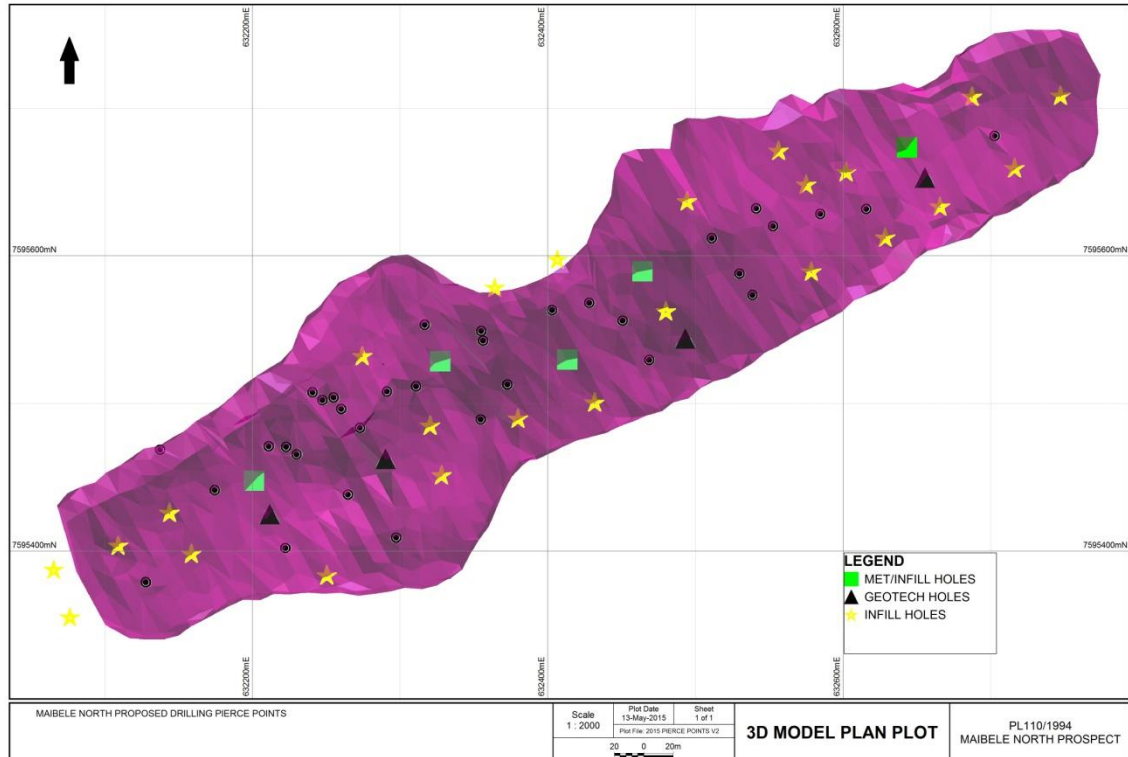


Figure 2: Proposed Infill & Met Drill Hole Program: Plan view of the Maibele North orebody showing the Infill and Met/Geotech pierce points

The ultimate aim of the drilling at Maibele North is to identify a resource sufficient to positively augment BCL's existing nickel processing and smelting activities in nearby Selebi Phikwe. The first step of the process is to delineate a resource of sufficient quality to allow mining feasibility studies to proceed and, if positive outcomes are achieved a submission of a mining licence application.

The Board of BML remain highly encouraged by the Joint Venture's commitment through this aggressive exploration program at Maibele North and the regional exploration work being conducted on PL54 – Takane to identify potential near-term drill targets.

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TARGET	Planned M	Targets
Resource Infill	4190m	Infill current drill pattern to allow upgrade of resource to Indicated Status
Resource Extension	2170m	Test conductor targets adjacent to and along strike of current resource. Also test mineralisation around MARD0094 for potential inclusion in future resources
Met and Geotech	1810m	Collect additional metallurgical samples and allow geotech information gathering
TOTAL	8170m	

Table 1: Details of the proposed 2015 drill program

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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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