

13 MARCH 2017

ASX:BML

BCL LIMITED: RESPONSE TO SHAREHOLDERS
ENQUIRIES AND UPDATE

ABN:

96 122 995 073

Issued Capital:

1,408,365,814 ordinary shares

Directors:

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About Botswana Metals

Botswana Metals is exploring for nickel, copper, cobalt, tantalum and lithium in within its 1,500 square kilometre exploration portfolio. These "new world" metals are becoming increasingly important as the world switches to cleaner sources of energy.

The company announced a maiden JORC Inferred Resource of 2.38Mt on 28 April 2015 from drilling within a small 185 square kilometre section of its exploration portfolio in which it had entered a joint venture with BCL. At the time cobalt was not included in the resource calculation.

Historical drilling outside of the joint venture ground has intercepted further nickel as well as significant intercepts of copper and cobalt.

A soil sampling program detected traces of lithium and tantalum which warrant further exploration.

Large tracts of BML's exploration portfolio remain unexplored.

The Board of Botswana Metals Limited ("BML"), in response to numerous enquiries from shareholders and from investors referring to an article published in a local Botswana newspaper "*The Patriot on Sunday*" on 7 March 2017 ("the article"), comments as follows:

1. The in-situ value quoted for the Maibele North JORC resource in the article, cannot be confirmed and BML is not in receipt of the estimated valuation numbers reported.
2. The Board can confirm that it has received written advice that KPMG, the Provisional Liquidator appointed to BCL Limited ("BCL"), is in confidential discussions but no more information is at hand as to who the party or parties are. The status of those negotiations, and whether BML is affected by any outcome from those negotiations, is not known by BML.
3. When KMPG are in a position to advise further they will be contacting BML as the JV partner for three prospecting licences PL 110/94, PL 111/94 and PL 54/98.
4. BML is not aware of a mining licence being issued to the JV as referred to in the article, however shareholders are referred to the ASX announcement made on 27 June 2016, prior to BCL being placed in Provisional Liquidation.
5. In that ASX announcement BCL and BML agreed to proceed to a Bankable Feasibility Study (BFS) ahead of applying for a mining licence, for the Maibele North JORC minable resource based on "open pit mining". This decision followed a pre-feasibility study report prepared by WorleyParsons received by BCL.
6. The recent increase in the Cobalt price is expected to have a positive impact on the resource statistics.
7. No decision was made by BCL and BML as to the underground mining opportunities, however the Board can confirm that the JV was focused on continuing exploration to expand the known underground resource. (refer ASX announcement 27 June 2016).
8. BCL has previously advised BML that it has spent the required AUD \$4M to earn a 40% interest in the three PLs, subject only to completion of the necessary formalities required under the JV agreement (refer ASX announcement 27 June 2016).
9. BCL was to fund to the end of a BFS to earn a 70% interest in the three PLs under the JV agreement.

The Board will continue to keep the market fully informed of events as they are known.

There is speculation reported in the article referring to an interested party negotiating a deal with the Botswana Government for the BCL Smelter and Mine. However, the BML Board is not part of any negotiations and has not been officially notified of any deal. Therefore, it is not for BML to make any comment or confirm or deny if these discussions are taking place.

The Botswana High Court granted the Provisional Liquidator and the Botswana Government 30 days (refer ASX announcement 13 February 2017) before returning to a hearing on the appointment of a formal Liquidator. That hearing is scheduled for this week. The extension was granted to allow the Government to try and negotiate a deal and if not return to the Court for the appointment of the Liquidator.

As the Board receives further information it will advise the ASX and shareholders accordingly.

Patrick Volpe
Chairman