

UPDATE REGARDING BCL LIMITED

ABN:

96 122 995 073

Issued Capital:

1,462,315,814 ordinary shares

Directors:

Mr Patrick Volpe (Chairman)

Mr Matt Hudson (Non-Executive)

Mr Steve Groves (Director/Geologist)

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About Botswana Metals

Botswana Metals is exploring for nickel, copper, cobalt, tantalum and lithium 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 28th 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 has been advised by KPMG Botswana that the High Court of Botswana placed BCL Limited into final liquidation at the hearing on 15 June 2017.

BCL Investments (Pty) Ltd, a subsidiary of BCL Limited, and the counterparty to the Farm-in Joint Venture Agreement in respect of PL 110/94, PL 111/94 and PL 54/98 has had its provisional liquidation extended however the length of the extension was not advised. These three licences cover ~185km² out of BML's ~1500km² exploration portfolio.

BML will contact KPMG who have been appointed as Provisional Liquidator and request that they advise of their intentions in respect to the JV agreement.

BML's ASX announcement titled "Update Regarding BCL Limited" dated 13 October 2016 provided details of BML's rights arising out of the provisional liquidation of BCL.

In summary:

Under the Farm-in Joint Venture Agreement if a party becomes insolvent (including being placed in provisional liquidation) then:

- (a) during the earning period (until a party has formally earned its interest) the solvent party may terminate the farm-in by notice to the insolvent party;
- (b) if a participant has earned its interest then:
 - (i) the solvent party may compulsorily acquire the interest of the insolvent party at an agreed price or, if a price cannot be agreed, at a price recommended by a qualified person as the fair market value of the interest; or
 - (ii) if there is no acquisition of the insolvent party's interest, the joint venture can be terminated and the assets are to be realised and the net proceeds, after paying any liabilities of the joint venture, are to be distributed to the participants in proportion to their interests.

BML has been focused on its cobalt, lithium, tantalum, copper and nickel exploration targets.

The market will be kept informed as more information is at hand and discussions materialise.

Patrick Volpe
Chairman