

CAPITAL RAISINGS, CONSOLIDATION AND UNMARKETABLE PARCELS

ABN:

96 122 995 073

Issued Capital:

1,824,315,814 ordinary shares

Directors:

Mr Patrick Volpe (Chairman)
Mr Steve Groves (Director/Geologist)
Mr Josh Letcher (Non-executive)
Mr Ed Bulseco (Non-executive)

Registered Office:

Suite 506, Level 5
1 Princess Street, Kew
Victoria, Australia, 3101

Contact:

p: +61 (3) 9855 1885
e: info@botswanametals.com.au

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 (ASX: BML or the "Company") is pleased to announce a Share Purchase Plan ("SPP") to raise up to \$448,782 and a Private Placement ("Placement") to raise up to \$1,250,000.

The total raised from the SPP and Placement will be up to \$1,698,782 before costs.

Funds raised from the SPP and Placement will be used to accelerate the Dibete and Airstrip Copper-Silver drilling program, settle outstanding creditors (including Trayburn Pty Ltd, a company related to Mr Pat Volpe - see "creditors" below), search for other mineral exploration opportunities and provide working capital to the Company.

SHARE PURCHASE PLAN

The SPP will be offered to BML shareholders with a registered address in Australia or New Zealand at an issue price of \$0.00082 (0.082 cents) per New Share ("SPP Shares") and one (1) free attaching New Option for every three (3) New Shares subscribed, with an exercise price of \$0.0125 (0.125 cents) and an expiry date of 1 July 2021 ("SPP Options").

The SPP provides the opportunity for eligible Shareholders to subscribe for up to \$15,000 worth of New Shares free of brokerage and fees.

The Record Date for the Share Purchase Plan is 7:00 PM (AEST) on 7 September 2017. Full details of the SPP will be contained in an offer document which will be sent to BML shareholders in Australia and New Zealand.

The issue of the SPP Options is subject to approval at a General Meeting of Shareholders ("GM") which is expected to be held in October this year. The Company anticipates that it will be required to prepare a Prospectus to offer the SPP Options.

PLACEMENT

BML will undertake a Placement to sophisticated and professional investors through the issue of up to 1,524,390,243 fully paid ordinary shares at an issue price of \$0.00082 (0.082 cents) per Share ("Placement Shares"), and one (1) free attaching option for every three (3) New Shares subscribed, with an exercise price of \$0.00125 (0.125 cents) and an expiry date of 1 July 2021 ("Placement Options").

The issue of the Placement Shares and Placement Options is subject to approval at a General Meeting of shareholders expected to occur in October 2017 ("the GM").

XCEL CAPITAL PTY LTD

The SPP and the Placement will be led by Xcel Capital Pty Ltd ("Xcel") which is acting as Lead Manager.

Any shortfall arising from the SPP will be placed by Xcel on a best endeavours basis.

Xcel will be remunerated by an Offer Fee of 6.0% on the total amount raised under the SPP and the Placement. Xcel will also be paid a Lead Manager fee of \$25,000 (exclusive of GST) at completion of the SPP and the Placement.

Subject to approval at the GM, Xcel will be issued 165,000,000 Broker Options with an exercise price of \$0.00125 (0.125 cents) and an expiry date of 1 July 2021.

Mr Edwin Bulseco is a Director and substantial shareholder of Xcel. Mr Edwin Bulseco absented himself from the BML Board voting on the appointment of Xcel as Lead Manager, and will not participate in resolutions of the Board where there is a potential conflict.

Foxfire Capital Pty Ltd

Foxfire Capital Pty Ltd ("Foxfire") will have the discretion to place up to 121,951,219 Placement Shares and 40,650,406 Placement Options.

Subject to approval at the GM, Foxfire will be issued 75,000,000 Broker Options with an exercise price of \$0.00125 (0.125 cents) and an expiry date of 1 July 2021.

Mr Pat Volpe is a substantial shareholder of, and consultant to, Foxfire. Mr Pat Volpe absented himself from the BML Board voting on the appointment of Foxfire and will not participate in resolutions of the Board where there is a potential conflict.

DEBT TO EQUITY CONVERSION

The Company will issue 222,560,975 New Shares and 74,186,991 free attaching Options (issued under the same terms as the SPP and the Placement) to partially convert outstanding debt with a value of \$182,500 to equity. The remaining ~\$182,500 owed to creditors will be paid in cash upon completion of the Placement.

Trayburn Pty Ltd (a company of which Mr Pat Volpe is a Director and substantial shareholder) is one of the creditors and, subject to shareholder approval, will accept the issue of New Shares and Options in part satisfaction of its claim under the same terms as the Placement.

CAPITAL STRUCTURE AFTER ISSUE OF SHARES AND OPTIONS

	Shares	Options	Amount Raised
Existing securities on issue	1,824,315,814	-	-
Share Purchase Plan at \$0.00082 per New Share	547,294,744	182,431,581	\$448,782
Creditor Conversion at \$0.00082 per New Share	222,560,975	74,186,991	-
Placement at \$0.00082 per New Share	1,524,390,243	508,130,081	\$1,250,000
Broker Options issued to Xcel Capital Pty Ltd	-	165,000,000	-
Broker Options issued to Foxfire Capital Pty Ltd	-	75,000,000	-
Totals	4,118,561,776	1,004,748,653	\$1,698,782

Except for the SPP Shares which can be issued under Exception 15 of ASX Listing Rule 7.2, the issue of the other shares and options specified in the table will be subject to shareholder approval at the GM.

CONSOLIDATION OF SHARES AND OPTIONS

The Board will propose a resolution to shareholders at the GM to consolidate the securities of the Company on a 1-for-12 basis. Assuming the shares and options referred to above are issued, and the consolidation resolution is approved by shareholders, the consolidated capital of the Company will be as follows:

	Shares	Options	Exercise Price (\$)	Exercise Price (cents)
Before consolidation	4,118,561,776	1,004,748,653	\$0.00125	0.125
After consolidation	343,213,481	83,729,054	\$0.015	1.5

The Directors consider that the consolidation is in the interests of the Company and its shareholders for the following reasons:

- post the SPP, the Placement and the issue of shares to creditors, there will be 4,118,561,776 shares on issue which is a far greater number than comparable companies; and
- the company is subjected to negative perceptions associated with a low share price.

The consolidation will assist in mitigating these disadvantages. The consolidation will not result in any change to the substantive rights and obligations of shareholders or option holders. Subject only to rounding, there will be no change to the proportionate interests held by each shareholder due to the consolidation.

A timetable for the consolidation will be announced to the ASX at the same time as the Notice of GM is released.

UNMARKETABLE PARCEL SHARE SALE FACILITY

After the date of the GM, regardless of whether the share consolidation is approved, the Company will establish a share sale facility for holders of unmarketable parcels of shares in the Company. The Company is authorised by its Constitution to implement the share sale facility.

An unmarketable parcel of shares is a parcel of shares with a market value of less than \$500. As at the close of business yesterday, of the Company's 2,368 shareholders, 1,908 held an unmarketable parcel.

The Company will provide the facility to allow investors with small holdings to dispose of their unmarketable parcel. Such investors may find it difficult to sell their shares due to the small value of their holding. By implementing the facility, the Company will reduce costs associated with maintaining many small shareholders on its share register.

The Company will write to all shareholders holding an unmarketable parcel in due course setting out the terms and conditions of the facility and the steps shareholders need to take if they wish to retain their shares.

If you have any enquiries, please contact the Company at info@botswanametals.com.au.

Pat Volpe
Chairman