



7 November 2018

## **Botswana Diamonds PLC ("Botswana Diamonds" or the "Company")**

### **Botswana Diamonds advances towards diamond production**

The board of Botswana Diamonds (AIM: BOD) are pleased to provide an update on the Company's development plan for the Thorny River project in South Africa.

#### Highlights

- A mining contract has been concluded with Palaeo Minerals Pty Limited ("Palaeo") covering both bulk sampling activities and future full-scale mining (the "Contract").
- The Contract will enable the Company to self-fund the Thorny River project from bulk sampling through to mine development, assuming positive results.
- Indicated net royalties could be between US\$2 to US\$7 million annually based on current estimates.
- The necessary regulatory approvals have been applied for.
- Drill programme planned in 2019.

Following the release of a Technical and Economic Evaluation Report on Thorny River in June 2018, the Company and its partner Vutomi have been considering a number of options to advance the property, concluding with the Company signing the Contract with Palaeo to provide bulk sampling and potentially mining services to the project. Palaeo is an experienced mining contractor which has several mining contracts in South Africa and Zimbabwe.

The key terms of the Contract are as follows:

- A net revenue royalty of 12% will accrue to Vutomi.
- 8% will accrue to Vutomi to cover State Mineral Royalties, sales and security expenses.
- 80% will accrue to Palaeo to cover its mining and processing costs.
- A processing target of up to 30,000 tons of kimberlite per month.
- Diamonds will be recovered using a processing facility at a nearby diamond mine.

Modelled diamond grades and value ranges were reported in February 2018 (46-74 cpht and US\$120- US\$220 per carat respectively over the estimated volume of 1.2 to 2.1 million tonnes of kimberlite to a depth of 100m). Assuming optimum kimberlite processing, the annual benefits of the contract over the 3 to 6 year mine life of Thorny River could potentially be between US\$2 to US\$7 million annually.

Regulatory approvals from the South African Department of Mineral Resources have been applied for. An advance in-fill drilling programme will allow detailed planning prior to commencing bulk sampling and the revenue and information from this project will enable the Company to consider further long-term options for Thorny River and the surrounding kimberlite field.

**John Teeling, Chairman, commented,** *“We are confident that Thorny River could be the first diamond producing project for Botswana Diamonds. A royalty bulk sampling / mining model means that we have no capital expenditure apart from a limited in-fill drilling programme in early-2019. We anticipate the award of the necessary regulatory approvals in anticipation of revenue being generated during the course of 2019. I look forward to providing shareholders with further updates regarding Thorny River in due course.”*

---

This release has been approved by James Campbell, Managing Director of Botswana Diamonds plc, a qualified geologist (Pr.Sci.Nat), a Fellow of the Southern African Institute of Mining and Metallurgy, a Fellow of the Institute of Materials, Metals and Mining (UK) and with over 33-years’ experience in the diamond sector.

---

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) 596/2014.

**ENDS**

**Enquiries:**

**Botswana Diamonds PLC**

John Teeling, Chairman +353 1 833 2833

James Campbell, Managing Director +27 83 457 3724

Jim Finn, Director

**Northland Capital Partners Limited**

David Hignell / Dugald Carlean (Corporate Finance) +44 (0) 203 861 6625

Isabella Pierre (Broking)

**SVS Securities Plc** +44 (0) 203 700 0100

Tom Curran

Ben Tadd

**Blytheweigh**

+44 (0) 207 138 3204

Simon Woods

+44 (0) 7466 439 633

Julia Tilley

+44 (0) 7815 068 387

**Teneo PSG**

Luke Hogg

+353 (0) 1 661 4055

Alan Tyrrell

+353 (0) 1 661 4055

[www.botswanadiamonds.co.uk](http://www.botswanadiamonds.co.uk)

Follow us on Twitter @BotswanaDiamond